



**STATE OF TENNESSEE
TENNESSEE DEPARTMENT OF FINANCE AND
ADMINISTRATION
BUREAU OF TENNCARE**

**REQUEST FOR PROPOSALS
FOR
Medical Underwriting for TennCare**

RFP Number: 318.65-115

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1.1 Statement of Purpose

The purpose of this Request for Proposals (RFP) is to define the State's minimum requirements, solicit proposals, and gain adequate information by which the State may evaluate the services offered by Proposers.

The State of Tennessee, Department of Finance and Administration, Bureau of TennCare, hereinafter referred to as the State, intends to secure a contract for reviewing applications for the TennCare Standard program from individuals who are applying as medically eligible and making a determination of their eligibility for the program pursuant to criteria established by the State.

Background

The TennCare program began in January 1994 as the broadest, most comprehensive Medicaid 1115 waiver demonstration program ever attempted. Under the initial waiver, people were eligible for TennCare if they were Medicaid-eligible, "uninsurable", or uninsured (did not have access to employer sponsored health insurance or COBRA coverage). Each of these populations was eligible for the same benefit package and services were provided by fully capitated Managed Care Organizations (MCOs). Behavioral health services were provided by two Behavioral Health Organizations (BHOs). Under the initial waiver, an individual was considered uninsurable if he or she lacked access to insurance and presented a letter from an insurance company denying coverage because of a health condition.

In December 2001, the State submitted an amended waiver request seeking authority to modify the program. That request was approved in the form of a new, five-year waiver in May 2002. Under the modified program, TennCare consists of three distinct products: TennCare Medicaid; TennCare Standard; and TennCare Assist (the Assist program has not yet been implemented). TennCare Medicaid is available to people who are eligible for Medicaid in accordance with Title XIX. The TennCare Standard program is available to an expansion population of certain uninsured people, including people with medical conditions that make them uninsurable. There are three "grandfathered" groups of people who were in the TennCare program prior to July 1, 2002, and who are being allowed to remain on TennCare. These are persons who do not have Medicaid but have some access to insurance and fall into one of the following groups:

- (1) Uninsured children under age 19 with family incomes below 200% poverty who were enrolled on December 31, 2001, and who have continued to be enrolled in that category;
- (2) Persons with Medicare but not Medicaid who were enrolled on December 31, 2001, and who have continued to be enrolled in that category; and
- (3) Persons who were enrolled as Dislocated Workers on June 30, 2002, and who meet the redetermination criteria, except that access to COBRA is not a disqualifying factor.

Effective January 1, 2003, persons in the Medicare but not Medicaid group will be eligible for the pharmacy benefit only.

The TennCare Standard benefit package includes many of the TennCare Medicaid benefits, but also includes service limits so as to more closely resemble a commercial insurance product. The subject of this RFP is the TennCare Standard "medical eligibility" category that replaced the "uninsurable" category from the former waiver program.

Medical eligibility is available to individuals of any income who meet the state's medical underwriting criteria. However, continuous enrollment for this group is available only to applicants with incomes below 100% of poverty. Individuals with incomes above 100% of poverty will be eligible to apply for TennCare Standard only during periods of open enrollment.

All applicants who apply for TennCare Standard as medically eligible will be required to pay a non-refundable application fee that will be collected by the State and used to offset the cost of administering the eligibility process. The application fee is currently set at \$25 per applicant.

The new eligibility classifications for TennCare Standard took effect on July 1, 2002 and the new benefit structure will take effect on January 1, 2003. During the period from July 1, 2002 until January 1, 2003, the Bureau of TennCare has undertaken to redetermine the eligibility of all current enrollees in TennCare who are not in the program by virtue of their eligibility for Title XIX Medicaid. All individuals enrolled in the TennCare program as uninsured or uninsurable will be required to submit updated information to determine the current status of their income, insurance status, residency in the State and other technical eligibility criteria. Individuals will be reclassified as eligible either for TennCare Medicaid, TennCare Standard or ineligible for the new program.

It is expected that a portion of the individuals on the program as uninsurable will meet the new medical eligibility criteria while others may be disenrolled from the program. On June 30, 2002 there were 186,449 individuals classified as uninsurable. It is expected that as of January 1, 2003 there will be 96,747 on the program as medically eligible.

Eligibility Determination Process Under the New Waiver

Individuals will apply for TennCare at county offices of the Department of Human Services. During the enrollment process, individuals are screened first for potential Medicaid eligibility and will be enrolled in the TennCare Medicaid program if eligible. People who do not meet the TennCare Medicaid eligibility criteria will be assessed for eligibility in accordance with TennCare Standard eligibility criteria. All TennCare Standard applicants must be residents of the State of Tennessee, have a verified social security number, be citizens of the United States or legal resident aliens, must not be incarcerated and lack access to health insurance. Case workers for DHS will verify compliance with the preceding criteria and then evaluate if the applicant meets eligibility criteria for TennCare Standard as a low-income, uninsured adult or child or an individual with Medicare but not Medicaid who was enrolled in TennCare as of December 31, 2001 and continues to meet the criteria for uninsured in place on December 31, 2001.

If the applicant is not eligible, the caseworker will inform the applicant of the opportunity to submit an application to determine if she meets the medically eligible criteria for TennCare Standard. Except during an open enrollment period, the individual must have income below 100% of poverty. During open enrollment, an individual of any income may apply for medical eligibility.

If the applicant wishes to apply as a medically eligible individual, that information will be electronically communicated to the TennCare Bureau who will then mail a medical eligibility application packet to the individual. The applicant will complete the packet, send it to the TennCare Bureau with the application fee and the TennCare Bureau will send the packet to the medical underwriting organization selected by this RFP for a determination of eligibility. The medical underwriting organization will have 14 days to complete its determination of eligibility and will submit its determination to the TennCare Bureau who will then inform the applicant of the determination.

Medical Eligibility Criteria

During the interim period from July 1, 2002 through February 28, 2003, the State has contracted with the Med Underwriting, Inc. to process applications for medical eligibility. Med

Underwriting, Inc. has used three criteria for medical underwriting: a list of specific disease/medical conditions coded with the ICD 9 codes; a height and weight analysis; and other criteria at Med Underwriting Inc.'s discretion that identify combinations of medical criteria that make an individual ineligible for commercial insurance.

The State intends to have the successful contractor under this RFP use the same criteria. The state's disease/medical condition list is appended to this RFP (Attachment A) as is the current application packet (Attachment B) that the State intends to continue to use under the new contract. The proposers to this RFP should be prepared to indicate to the State what discretionary criteria they will use in addition to the State's disease/medical condition list as well as how they will evaluate the height and weight information from the applicant to determine whether that individual is eligible for private insurance coverage.

Applicants for medical eligibility will be required to submit medical records to support any self-declared conditions that appear on the State's disease/medical condition list. To the extent the declaration is supported by the medical records submitted, the applicant will be deemed eligible for the TennCare Standard program. If the applicant does not have a condition specified on the disease/medical condition list, the contractor will be expected to review the application and, using its own discretionary criteria, make an independent determination as to whether the applicant could be underwritten for health insurance in the private market. Those applicants who would be denied coverage for health insurance using the contractor's discretionary criteria will also be deemed eligible for TennCare Standard.

Once qualified as medically eligible, the applicant will be deemed eligible for up to a twelve-month period. Prior to the end of the twelve-month period, all participants in TennCare Standard must reapply for certification in order to continue to receive coverage. However, the redetermination of medical eligibility will only occur every two years.

Anticipated Volume

(This information is provided for informational purposes only)

Open Enrollment

To the extent that the Tennessee legislature appropriated sufficient funds, the TennCare Standard program will hold a three-month open enrollment period once a year. During this period, individuals with incomes above 100% of poverty will be able to apply for coverage. Based on previous enrollment periods, the medical underwriter may expect 74,600 applicants to apply for medical eligibility.

Continuous Enrollment

Individuals whose income is below 100% of the federal poverty level may apply for TennCare Standard coverage at any time. The medical underwriter will process applications for these individuals throughout the year. Based on previous applications, 5,000-6,000 applicants per month may apply for medical eligibility.

Medical Rollovers

Medical recipients qualify for eligibility as of the effective date of their application or qualifying event, whichever is later. Medicaid enrollees will be provided an opportunity to apply for TennCare Standard when they no longer qualify for TennCare Medicaid eligibility. Individuals who roll-over to TennCare Standard from TennCare Medicaid will not be required to wait until the next open enrollment period to apply for TennCare Standard. If the individual submits an application for medical eligibility within specified timeframes and they meet the criteria there will be no break in their coverage. It is anticipated that there will be 1,000 Medicaid roll-overs per month.

1.2 Scope of Service

Section A of the *pro forma* contract, included in Section 8 of this RFP, details the scope of services and deliverables that the State requires.

The *pro forma* contract also includes the terms and conditions required by the State.

1.3 Contract Duration

The State intends to enter into a contract with an effective period of March 1, 2003 through June 30, 2005.

The State reserves the right to extend this Contract for an additional period or periods of time representing increments of no more than one year and a total contract term of no more than five (5) years, provided that the State notifies the Contractor in writing of its intention to do so at least sixty (60) days prior to the contract expiration date. An extension of the term of this Contract will be effected through an amendment to the Contract. If the extension of the Contract necessitates additional funding beyond that which was included in the original Contract, the increase in the State's maximum liability will also be effected through an amendment to the Contract and shall be based upon rates provided for in the original contract and proposal.

1.4 Letter of Intent to Propose

A letter indicating a vendor's intent to respond to this RFP with a proposal should be sent to the RFP Coordinator (refer to Section 3.1) no later than the *Letter of Intent to Propose* deadline date detailed in the Section 2, RFP Schedule of Events. *Letters of Intent to Propose* may be delivered by facsimile transmission. Vendors may withdraw their *Letters of Intent to Propose* at any time before the deadline for submitting a proposal.

The following information should be included in the *Letter of Intent to Propose*:

- Vendor Name
- Name and Title of Vendor Main Contact
- Address, Telephone Number, and Facsimile Number of Vendor Main Contact
- Signed Statement of Intent to Propose

Submittal of a *Letter of Intent to Propose*, by the specified deadline, is not a prerequisite for submitting a proposal, but it is necessary to ensure a vendor's receipt of RFP amendments and other communications regarding the RFP.

1.5 Proposal Deadline

Proposals shall be submitted no later than the Proposal Deadline time and date detailed in the Section 2, RFP Schedule of Events. Proposers shall respond to the written RFP and any exhibits, attachments, or amendments. A Proposer's failure to submit a proposal as required before the deadline shall cause the proposal to be disqualified.

Proposers assume the risk of the method of dispatch chosen. The State assumes no responsibility for delays caused by any delivery service. Postmarking by the due date shall not substitute for actual proposal receipt by the State. Late proposals shall not be accepted nor shall additional time be granted to any potential Proposer.

Proposals may not be delivered orally, by facsimile transmission, or by other telecommunication or electronic means.

1.6 Nondiscrimination

No person shall be excluded from participation in, be denied benefits of, be discriminated against in the admission or access to, or be discriminated against in treatment or employment in the State's contracted programs or activities on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification protected by federal or Tennessee State Constitutional or statutory law; nor shall they be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of contracts with the State or in the employment practices of the State's contractors. Accordingly, all vendors entering into contracts with the State shall, upon request, be required to show proof of such nondiscrimination and to post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

The State has designated the following to coordinate compliance with the nondiscrimination requirements of the State of Tennessee, Title VI of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, and applicable federal regulations:

Director of Personnel
Tennessee Department of Health
Andrew Johnson Tower, 11th Floor
710 James Robertson Parkway
Nashville, Tennessee 37243
615-741-6350

1.7 Assistance to Proposers With a Disability

Proposers with a disability may receive accommodation regarding the means of communicating this RFP and participating in this procurement process. Proposers with a disability should contact the RFP Coordinator to request reasonable accommodation no later than the deadline for accommodation requests detailed in the Section 2, RFP Schedule of Events.

2 RFP SCHEDULE OF EVENTS

The following RFP Schedule of Events represents the State's best estimate of the schedule that shall be followed. Unless otherwise specified, the time of day for the following events shall be between 8:00 a.m. and 4:30 p.m., Central Time.

The State reserves the right, at its sole discretion, to adjust this schedule as it deems necessary. Notification of any adjustment to the Schedule of Events shall be provided to all vendors that submitted a *Letter of Intent to Propose*.

	EVENT	DATE	TIME
1	State Issues RFP	11/18/2002	
2	Deadline for Proposers with a Disability to Make Accommodation Requests	11/22/2002	
3	Deadline for <i>Letter of Intent to Propose</i>	12/02/2002	
4	Deadline for Written Comments	12/11/2002	
5	State Issues Responses to Written Comments	12/18/2002	
6	Deadline for Submitting a Proposal <u>and</u> State Opens Technical Proposals	1/06/2003	10:00 AM CST
7	State Completes Technical Evaluations	1/13/2003	
8	State Opens Cost Proposal	1/14/2003	9:00 AM CST
9	State Completes Cost Evaluations	1/14/2003	
10	State Sends a written Evaluation Notice to Proposers <u>and</u> State Opens RFP Files for Public Inspection	1/17/2003	9:00 a.m.
11	Conclusion of Contract Negotiation, and Contract Signing	1/31/2003	
12	Anticipated Contract Start Date	3/01/2003	

3 GENERAL REQUIREMENTS AND INFORMATION

3.1 RFP Coordinator

The following RFP Coordinator shall be the main point of contact for this RFP.

Alma Chilton
Department of Finance and Administration
TennCare Program
729 Church Street
Nashville, TN 37247-6501
615-532-5206
615-741-0882 Fax

3.2 RFP Number

The State has assigned the following RFP identification number that must be referenced in all communications regarding the RFP:

RFP-318.65-115

3.3 Communications Regarding the RFP

- 3.3.1 Upon release of this RFP, all vendor communications concerning this procurement must be directed to the RFP Coordinator. Unauthorized contact regarding the RFP with other State employees of the procuring state agency may result in disqualification.
- 3.3.2 All communications should be in writing to the RFP Coordinator. Any oral communications shall be considered unofficial and non-binding on the State. Written Comments, including questions and requests for clarification, must cite the subject RFP number. The RFP Coordinator must receive these written requests by the deadline specified in the RFP Schedule of Events.
- 3.3.3 Any communication regarding this RFP sent by facsimile transmission must also be sent by United States mail on the same date.
- 3.3.4 The State shall respond in writing to written communications. Such response shall constitute an amendment to the RFP. Only written responses to written communications shall be considered official and binding upon the state. The State reserves the right, at its sole discretion, to determine appropriate and adequate responses to written comments, questions, and requests for clarification.
- 3.3.5 The State shall mail copies of its written responses to written comments, to all vendors submitting a *Letter of Intent to Propose*.
- 3.3.6 Any data or factual information provided by the State shall be deemed for informational purposes only, and if a proposer relies on said factual information it should either:
 - a) independently verify the information; or
 - b) obtain the State's written consent to rely thereon.

3.4 Required Review and Waiver of Objections by Proposers

Proposers should carefully review this RFP and all attachments, including but not limited to the *pro forma* contract, for comments, questions, defects, objections, or any other matter requiring clarification or correction (collectively called “comments”). Comments concerning RFP objections must be made in writing and received by the State no later than the Deadline for Written Comments detailed in the Section 2, RFP Schedule of Events. This will allow issuance of any necessary amendments and help prevent the opening of defective proposals upon which contract award could not be made.

Protests based on any objection shall be considered waived and invalid if these faults have not been brought to the attention of the State, in writing, by the Deadline for Written Comments.

3.5 Proposal Submittal

- 3.5.1 Proposers shall respond to this RFP with a Technical Proposal and a Cost Proposal. No pricing information shall be included in the Technical Proposal.

Inclusion of Cost Proposal amounts in the Technical Proposal shall make the proposal nonresponsive.

One (1) original and three (3) copies of the Technical Proposal shall be submitted to the State in a sealed package and be clearly marked:

“Technical Proposal in Response to RFP-318.65-115 -- Do Not Open”

One (1) Cost Proposal shall be submitted to the State as a separate, sealed package and clearly marked:

“Cost Proposal in Response to RFP-318.65-115 -- Do Not Open”

If the separately sealed proposals, marked as required above, are enclosed in another container for mailing purposes, the outermost container must fully describe the contents of the package and must be clearly marked:

“Contains Separately Sealed Technical and Cost Proposals”

- 3.5.2 All proposals must be submitted to the RFP Coordinator at the following address by the date and time identified as the Deadline for Submitting a Proposal in the RFP Schedule of Events.

Alma Chilton
Department of Finance and Administration
TennCare Program
729 Church Street
Nashville, TN 37247-6501

3.6 Proposal Preparation Costs

The State shall not pay any costs associated with the preparation, submittal, or presentation of any proposal.

3.7 Proposal Withdrawal

To withdraw a proposal, the vendor must submit a written request, signed by an authorized representative, to the RFP Coordinator. After withdrawing a previously submitted proposal, the vendor may submit another proposal at any time up to the deadline for submitting proposals.

3.8 Proposal Amendment

The State shall not accept any amendments, revisions, or alterations to proposals after the deadline for proposal submittal unless such is formally requested, in writing, by the State.

3.9 Proposal Errors

Proposers are liable for all errors or omissions contained in their proposals. Proposers shall not be allowed to alter proposal documents after the deadline for submitting a proposal.

3.10 Incorrect Proposal Information

If the state determines that a proposer has provided, for consideration in the evaluation process or contract negotiations, incorrect information which the proposer knew or should have known was materially incorrect, that proposal shall be determined non-responsive, and the proposal shall be rejected.

3.11 Prohibition of Proposer Terms and Conditions

A Proposer may **not** submit the Proposer's own contract terms and conditions in a response to this RFP. If a proposal contains such terms and conditions, the State, at its sole discretion, may determine the proposal to be a nonresponsive counteroffer, and the proposal may be rejected.

3.12 Assignment and Subcontracting

3.12.1 The Contractor may not subcontract, transfer, or assign any portion of the contract without prior, written approval from the State. Each subcontractor must be approved in writing by the State. The substitution of one subcontractor for another may be made only at the discretion of the State and with prior, written approval from the State.

3.12.2 Notwithstanding the use of approved subcontractors, the Proposer, if awarded a contract under this RFP, shall be the prime contractor and shall be responsible for all work performed.

3.13 Right to Refuse Personnel

The State reserves the right to refuse, at its sole discretion, any subcontractors or any personnel provided by the prime contractor or its subcontractors.

3.14 Proposal of Alternate Services

Proposals of alternate services (*i.e.*, proposals that offer something different from that requested by the RFP) shall be considered nonresponsive and rejected.

3.15 Proposal of Additional Services

If a Proposer indicates an offer of services in addition to those required by and described in this RFP, these additional services may be added to the contract before contract signing at the sole discretion of the State.

The cost for any such additional services must be incorporated into the required cost amount(s) provided in the Cost Proposal so that all proposals may be equitably evaluated. The Proposer shall **not** propose unrequested rates as separate, additional rates for additional services. (Refer to Section 5.3 of this RFP for Cost Proposal requirements.)

3.16 Independent Price Determination

- 3.16.1 A proposal shall be disqualified and rejected by the State if the price in the proposal was not arrived at independently without collusion, consultation, communication, or agreement as to any matter relating to such prices with any other Proposer, a State employee, or any competitor.
- 3.16.2 The Proposer is prohibited from submitting more than one proposal. Submittal of more than one proposal shall result in the disqualification of the Proposer.
- 3.16.3 The Proposer is prohibited from submitting multiple proposals in a different form (i.e., as a prime contractor and as a subcontractor to another prime contractor). Submittal of multiple proposals in a different form may result in the disqualification of all Proposers associated with a multiple proposal.
- 3.16.4 Should any such prohibited action detailed in Sections 3.16.1, 3.16.2, and 3.16.3 be detected any time during the term of the contract, such action shall be considered a material breach and grounds for contract termination.

3.17 Insurance

The apparent successful Proposer may be required to provide proof of adequate worker's compensation and public liability insurance coverage before entering into a contract. Additionally, the State may, at its sole discretion, require the apparent successful Proposer to provide proof of adequate professional malpractice liability or other forms of insurance. Failure to provide evidence of such insurance coverage is a material breach and grounds for termination of the contract negotiations. Any insurance required by the State shall be in form and substance acceptable to the State.

3.18 Licensure

Before a contract pursuant to this RFP is signed, the Vendor must hold all necessary, applicable business and professional licenses. The State may require any or all Proposers to submit evidence of proper licensure.

3.19 Conflict of Interest and Proposal Restrictions

- 3.19.1 By submitting a proposal, the Proposer certifies that no amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Proposer in connection with the procurement under this RFP.

Notwithstanding this restriction, nothing in this RFP shall be construed to prohibit a state agency or other governmental entity from making a proposal, being considered for award, or being awarded a contract under this RFP.
- 3.19.2 State agencies shall not contract with an individual who is, or within the past six months has been, an employee of the State of Tennessee. An individual shall be deemed a State employee until such time as all salary, termination pay, and compensations representing annual or compensatory leave have been paid by the State. A contract with a company in which a controlling interest is held by a State employee shall be considered to be a contract with said individual and shall be prohibited.
- 3.19.3 Any individual, company, or other entity involved in assisting the State in the development, formulation, or drafting of this RFP or its scope of services shall be considered to have been given information that would afford an unfair advantage over other Proposers, and said individual, company, or other entity may not submit a proposal in response to this RFP.

3.20 RFP Amendment and Cancellation

The State reserves the unilateral right to amend this RFP in writing at any time. The State also reserves the right to cancel or reissue the RFP at its sole discretion. If an amendment is issued it shall be provided to all vendors submitting a *Letter of Intent to Propose*. Proposers shall respond to the final written RFP and any exhibits, attachments, and amendments.

3.21 Right of Rejection

3.21.1 The State reserves the right, at its sole discretion, to reject any and all proposals or to cancel this RFP in its entirety.

3.21.2 Any proposal received which does not meet the requirements of this RFP may be considered to be nonresponsive, and the proposal may be rejected. Proposers must comply with all of the terms of this RFP and all applicable State laws and regulations. The State may reject any proposal that does not comply with all of the terms, conditions, and performance requirements of this RFP.

3.21.3 Proposers may not restrict the rights of the State or otherwise qualify their proposals. If a Proposer does so, the State may determine the proposal to be a nonresponsive counteroffer, and the proposal may be rejected.

3.21.4 The State reserves the right, at its sole discretion, to waive variances in technical proposals provided such action is in the best interest of the State. Where the State waives minor variances in proposals, such waiver does not modify the RFP requirements or excuse the proposer from full compliance with the RFP. Notwithstanding any minor variance, the State may hold any Proposer to strict compliance with the RFP.

3.22 Disclosure of Proposal Contents

All proposals and other materials submitted in response to this RFP procurement process become the property of the State of Tennessee. Selection or rejection of a proposal does not affect this right. All proposal information, including detailed price and cost information, shall be held in confidence during the evaluation process. Upon the completion of the evaluation of proposals, indicated by public release of an Evaluation Notice, the proposals and associated materials shall be open for review by the public in accordance with **Tennessee Code Annotated**, Section 10-7-504(a)(7). By submitting a proposal, the Proposer acknowledges and accepts that the full contents of the proposal and associated documents shall become open to public inspection.

3.23 Severability

If any provision of this RFP is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected; and, the rights and obligations of the State and Proposers shall be construed and enforced as if the RFP did not contain the particular provision held to be invalid.

4 SPECIAL REQUIREMENTS

4.1 Joint Ventures and Partnering

Proposals from joint ventures or entities partnering for a specific service must be designed to minimize any administrative burden on the State as a result of the participation of multiple entities.

4.1.1 The Proposal shall clearly set forth the respective responsibilities and functions that each Principal of the joint venture or partnering entities would perform if awarded a contract pursuant to this RFP.

4.1.2 The Proposal must include a copy of the joint venture or partnering agreements that identify the Principals involved as well as their rights and responsibilities regarding a contract pursuant to this RFP.

4.1.3 The proposal transmittal letter must be signed by each Principal of the joint venture and include all required information.

5 PROPOSAL FORMAT AND CONTENT

5.1 General Proposal Requirements

- 5.1.1 The State discourages lengthy and costly proposals. Proposals should be prepared simply and economically and provide a straightforward, concise description of the Proposer's capabilities to satisfy the requirements of this RFP. Emphasis should be on completeness and clarity of content.
- 5.1.2 Proposers must follow all formats and address all portions of the RFP set forth herein providing all information requested. Proposers may retype or duplicate any portion of this RFP for use in responding to the RFP, provided that the proposal clearly addresses all of the State's information requirements.
- 5.1.3 Proposers must respond to every subsection under the Technical Proposal and Cost Proposal sections below. Proposers must label each response to RFP requirements with the section and subsection numbers associated with the subject requirement in this RFP (*e.g.*, the response to the third requirement of the Proposal Transmittal Letter would be labeled 5.2.1.3).

Failure to follow the specified format, to label the responses correctly, or to address all of the subsections may, at the State's sole discretion, result in the rejection of the Proposal.

Proposals must not contain extraneous information. All information presented in a Proposal must be relevant in response to a requirement of this RFP, must be clearly labeled, and, if not incorporated into the body of the Proposal itself, must be referenced to and from the appropriate place within the body of the Proposal. Any information not meeting these criteria shall be deemed extraneous and shall in no way contribute to the evaluation process.

- 5.1.4 Proposals shall be prepared on standard 8 1/2" x 11" paper. Foldouts containing charts, spread sheets, and oversize exhibits are permissible. All responses, as well as any reference material presented, must be written in English. All monetary amounts must be detailed in United States currency. All proposal pages must be numbered.
- 5.1.5 Proposers shall divide their responses to this RFP into a Technical Proposal and a Cost Proposal and submit them in accordance with Section 3.5 of this RFP by the Deadline for Submitting a Proposal in the RFP Schedule of Events.

Cost Proposal and pricing information shall **not** be included in the Technical Proposal. Inclusion of Cost Proposal dollar amounts in the Technical Proposal shall make the proposal nonresponsive and the proposal shall be rejected.

5.2 Technical Proposal

The Technical Proposal shall be divided into the following sections:

- Proposal Transmittal Letter;
- Mandatory Proposer Qualifications;
- General Proposer Qualifications and Experience;
- Technical Approach.

If a proposal fails to detail and address each of the requirements detailed herein, the State may determine the proposal to be nonresponsive and reject it.

- 5.2.1 Proposal Transmittal Letter. The Technical Proposal must provide a written transmittal and offer of the proposal in the form of a standard business letter. The Proposal Transmittal Letter

shall reference and respond to the following subsections in sequence and attach corresponding documentation as required. Each proposal must meet the Proposal Transmittal Letter requirements and provide all required documentation. A Proposal Transmittal Letter is mandatory, and failure to provide the information as required may result in the proposal being considered nonresponsive and rejected.

- 5.2.1.1 The letter shall be signed by a company officer empowered to bind the proposing vendor to the provisions of this RFP and any contract awarded pursuant to it; if said individual is not the company president, the letter shall attach evidence showing authority to bind the company.
- 5.2.1.2 The letter shall state that the proposal remains valid for at least 90 days subsequent to the date of the Cost Proposal opening and thereafter in accordance with any resulting contract between the Proposer and the State.
- 5.2.1.3 The letter shall provide the complete name and Social Security Number of the individual or the legal entity name and Federal Employer Identification Number of the firm making the proposal.
- 5.2.1.4 The letter shall provide the name, mailing address, and telephone number of the person the State should contact regarding the proposal.
- 5.2.1.5 The letter shall state whether the Proposer intends to use subcontractors — if so, clearly identify the names of the subcontractors along with complete mailing addresses and the scope and portions of the work the subcontractors shall perform. (NOTE: The Contractor must obtain written approval from the State prior to the use of any subcontractors.)
- 5.2.1.6 The letter shall state whether the Proposer or any individual who shall perform work under the contract has a possible conflict of interest (*e.g.*, employment by the State of Tennessee) and, if so, the nature of that conflict. The State reserves the right to cancel an award if any interest disclosed from any source could either give the appearance of a conflict of interest or cause speculation as to the objectivity of the offeror. Such determination regarding any questions of conflict of interest shall be solely within the discretion of the State.
- 5.2.2 Mandatory Proposer Qualifications. Technical Proposals shall provide responses and documentation, as required, that indicate that the Proposer has met the Mandatory Proposer Qualifications requirements. Any Proposal which does not meet the mandatory requirements and provide all required documentation may be considered nonresponsive, and the proposal may be rejected.

Technical Proposals shall provide the following information (referencing the subsections in sequence):

- 5.2.2.1 written confirmation that the Proposer shall comply with all of the provisions in this RFP and shall accept all terms and conditions set out in the *pro forma* contract in Section 8 of this RFP. (NOTE: If the Proposal fails to provide said confirmation without exception or qualification, the State, at its sole discretion, may determine the proposal to be a nonresponsive counteroffer, and the proposal may be rejected.)
- 5.2.2.2 written certification and assurance of the Proposer's compliance with:
 - a) the laws of the State of Tennessee;
 - b) Title VI of the federal Civil Rights Act of 1964;
 - c) Title IX of the federal Education Amendments Act of 1972;
 - d) the Equal Employment Opportunity Act and the regulations issued there under by the federal government;
 - e) the Americans with Disabilities Act of 1990 and the regulations issued thereunder by the federal government;

- f) the condition that the submitted proposal was independently arrived at, without collusion, under penalty of perjury; and,
- g) the condition that no amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Proposer in connection with the Procurement under this RFP.

(Use Attachment 9.1, Certification of Compliance)

- 5.2.2.3 documentation of financial responsibility and stability; said documentation shall include:
 - 5.2.2.3.1 a current written bank reference, in the form of a standard business letter, indicating that the proposer's business relationship with the financial institution is in positive standing
 - 5.2.2.3.2 two current written, positive credit references, in the form of standard business letters, from vendors with which the proposer has done business; in lieu of such, documentation of a positive credit rating determined by a accredited credit bureau within the last 6 months, and
 - 5.2.2.3.3 a copy of a valid certificate of insurance indicating liability insurance in an amount sufficient to cover any potential liability arising as a result of a contract pursuant to this RFP.
- 5.2.2.4 written confirmation that the proposer is currently licensed to sell insurance or as a medical underwriter in the State of Tennessee and has a minimum of five years experience in the field.
- 5.2.3 General Proposer Qualifications and Experience. Technical Proposals shall provide the following information (referencing the subsections in sequence) to evidence the Proposer's experience in delivering services similar to those required by this RFP:
 - 5.2.3.1 a brief, descriptive statement indicating the Proposer's credentials to deliver the services sought under this RFP;
 - 5.2.3.2 a brief description of the Proposer's background and organizational history;
 - 5.2.3.3 years in business;
 - 5.2.3.4 a brief statement of how long the Proposer has been performing the services required by this RFP;
 - 5.2.3.5 location of offices;
 - 5.2.3.6 a description of the Proposer organization's number of employees, longevity, client base;
 - 5.2.3.7 whether there have been any mergers, acquisitions, or sales of the Proposer company within the last ten years (if so, an explanation providing relevant details);
 - 5.2.3.8 form of business (*i.e.*, individual, sole proprietor, corporation, non-profit corporation, partnership, joint venture, limited liability company, *et cetera*);
 - 5.2.3.9 a statement as to whether the Proposer or any of the Proposer's employees, agents, independent contractors, or subcontractors have been convicted of, pled guilty to, or pled *nolo contendere* to any felony; and if so, an explanation providing relevant details;

- 5.2.3.10 a statement as to whether there is any pending litigation against the Proposer; and if such litigation exists, attach an opinion of counsel as to whether the pending litigation will impair the Proposer's performance in a contract under this RFP;
- 5.2.3.11 a statement as to whether, in the last ten years, the Proposer has filed (or had filed against it) any bankruptcy or insolvency proceeding, whether voluntary or involuntary, or undergone the appointment of a receiver, trustee, or assignee for the benefit of creditors; and if so, an explanation providing relevant details;
- 5.2.3.12 an organizational chart highlighting the key people who shall be assigned to accomplish the work required by this RFP and illustrating the lines of authority and designate the individual responsible for the completion of each service component and deliverable of the RFP;
- 5.2.3.13 a narrative description of the proposed project team, its members, and organizational structure;
- 5.2.3.14 a personnel roster and resumes of key people who shall be assigned by the Proposer to perform duties or services under the contract (include estimated number of hours to be worked on the contract for each person, and the resumes shall detail each individual's title, education, current position with the Proposer, and employment history);
- 5.2.3.15 customer references for similar projects representing both three of the larger accounts currently serviced by the vendor and three completed projects— each reference must include:
 - a) the company name and business address;
 - b) the name, title, and telephone number of the company contact knowledgeable about the project work; and
 - c) a brief description of the service provided and the period of service.
- 5.2.3.16 a list, if any, of all current contractual relationships with the State of Tennessee and all those completed within the previous five year period— the list must include:
 - a) the contract number;
 - b) the contract term; and
 - c) the procuring state agency for each reference.

(NOTE: Current or prior contracts with the State are NOT a prerequisite to being awarded the maximum available points for the Proposer Qualifications and Experience category. The existence of such current or prior contractual relationships will not automatically result in the addition or deduction of evaluation points. Any such current or prior contractual relationships, like those detailed pursuant to Section 5.2.3.15., shall be generally considered in awarding Proposer Qualifications and Experience category points.)

- 5.2.4 Technical Approach. The Proposer shall describe the vendor's plans and approach for accomplishing the work requested. The information provided shall be in enough detail to enable the State to ascertain the Proposer's understanding of the effort to be accomplished and should outline the steps in the total service proposed. Technical Proposals shall provide the following narrative information (referencing the subsections in sequence) to evidence the suitability of the Proposer's technical approach to delivering the services sought under this RFP:
 - 5.2.4.1 Proposers must provide a comprehensive narrative, captioned "Project Understanding," that illustrates the vendor's understanding of the State's requirements and project schedule.
 - 5.2.4.2 Proposers must provide a comprehensive narrative, captioned "Project Approach," that illustrates how the Proposer will complete the scope of services, accomplish required objectives, and meet the State's project schedule.

- 5.2.4.3 Proposers must provide a comprehensive narrative, captioned “Project Management,” that illustrates how the Proposer will manage the project, ensure completion of the scope of services, and accomplish required objectives within the State's project schedule.
- 5.2.4.4 Proposers must provide discretionary criteria they will use in addition to the State’s disease/medical condition list as well as how they will evaluate the height and weight information from the applicant to determine whether that individual is eligible for private insurance coverage.

5.3 Cost Proposal

- 5.3.1 The Cost Proposal shall be submitted to the State in a separate, sealed package from the Technical proposal.
- 5.3.2 The Cost Proposal required format is provided in Attachment 9.2, and the Cost Proposal must be recorded on an exact duplicate thereof.
- 5.3.3 The Cost Proposal shall specifically record the exact cost amounts proposed in the appropriate space as required by Attachment 9.2. Said proposed cost shall incorporate all cost for the proposed scope of services for the total contract period.
- 5.3.4 The Cost Proposal shall record only the proposed cost as required, and shall not record any other rates, amounts, or information. It shall not record any text that could be construed as a qualification of the cost amounts proposed. If the Proposer fails to specify the Cost Proposal as required, the State shall determine the proposal to be nonresponsive and reject it.
- 5.3.5 The proposer must sign and date the Cost Proposal.

6 EVALUATION AND CONTRACTOR SELECTION

6.1 Proposal Evaluation Categories and Maximum Points

The categories that shall be considered in the evaluation of proposals are Qualifications and Experience, Technical Approach, and Cost. The maximum points that shall be awarded for each of these categories are:

CATEGORIES	MAXIMUM POINTS POSSIBLE
General Proposer Qualifications and Experience	20
Technical Approach	30
Cost Proposal	50

6.2 Proposal Evaluation Process

- 6.2.1 The evaluation process is designed to award the procurement not necessarily to the Proposer of least cost, but rather to the Proposer with the best combination of attributes based upon the evaluation criteria. Therefore, proposals are evaluated against the evaluation criteria in this RFP and NOT against other proposals.
- 6.2.2 The RFP Coordinator shall manage the proposal evaluation process and maintain proposal evaluation records. A Proposal Evaluation Team made up of three or more State employees shall be responsible for evaluating proposals.
- 6.2.3 All proposals shall be reviewed by the RFP Coordinator to determine compliance with basic proposal requirements as specified in this RFP. If the RFP Coordinator determines that a proposal may be missing one or more such requirements, the Proposal Evaluation Team shall review the proposal to determine:
- a) if it meets requirements for further evaluation;
 - b) if the State shall request clarification(s) or correction(s); or
 - c) if the State shall determine the proposal nonresponsive and reject it.
- 6.2.4 The Proposal Evaluation Team shall evaluate responsive proposals. Each evaluator shall score the General Proposer Qualifications and Experience section and the Technical Approach section of each proposal. The evaluation scoring shall use the pre-established evaluation criteria and weights set out in this RFP. Each evaluator shall use only whole numbers for scoring proposals. (Refer to Attachment 9.3, Technical Proposal Evaluation Format).
- 6.2.5 The State reserves the right, at its sole discretion, to request clarifications of technical proposals or to conduct discussions for the purpose of clarification with any or all Proposers. The purpose of any such discussions shall be to ensure full understanding of the proposal. Discussions shall be limited to specific sections of the proposal identified by the State and, if held, shall be after initial evaluation of Technical Proposals. If clarifications are made as a result of such discussion, the Proposer shall put such clarifications in writing.
- 6.2.6 Upon completion of Technical Proposal scoring by the Proposal Evaluation Team, the RFP Coordinator shall calculate the average Technical Proposal score for each proposal.

- 6.2.7 After opening the Cost Proposals, the RFP Coordinator shall calculate scores for each Cost Proposal. The Cost Evaluation score shall be based on the proposed cost for evaluation amount indicated by the Cost Proposal. The amount shall be used in the following formula to determine the points a Proposer shall receive for the Cost Proposal:

$$\frac{\text{lowest proposed cost for evaluation}}{\text{proposed cost for evaluation being evaluated}} \times \text{maximum cost points} = \text{SCORE of cost proposal being evaluated}$$

(Refer to Attachment 9.4, Cost Proposal Evaluation Format, for details.)

- 6.2.8 The RFP Coordinator shall combine the average Technical Evaluation scores with the Cost Evaluation scores for each Proposer. (Refer to Attachment 9.5, Proposal Score Summary Matrix).

- 6.2.9 All proposal evaluation calculations shall result in numbers rounded to the nearest two decimal places (*e.g.*, 9.99).

6.3 Contract Award Process

- 6.3.1 The RFP Coordinator shall forward results from the proposal evaluation process to the head of the procuring agency for consideration.
- 6.3.2 The State reserves the right to make an award without further discussion of any proposal submitted. There shall be no best and final offer procedure. Therefore, each proposal should be initially submitted on the most favorable terms the vendor can offer.
- 6.3.3 After the evaluation of proposals and final consideration of all pertinent information available, the head of the procuring agency shall issue a written Evaluation Notice to all Proposers. The notice shall identify the apparent best evaluated Proposer. The notice shall not create rights, interests, or claims of entitlement in the apparent best evaluated Proposer or any vendor. (Refer to Attachment 9.6 for a sample notice).
- 6.3.4 The RFP files shall be made available for public inspection.
- 6.3.5 The State reserves the right, at its sole discretion, to negotiate with the apparent best evaluated Proposer subsequent to the Evaluation Notice.
- 6.3.6 The apparent best evaluated Proposer shall be prepared to enter into a contract with the State which shall be substantially the same as the *pro forma* contract included in Section 8 of this RFP. Notwithstanding, the State reserves the right to add terms and conditions, deemed to be in the best interest of the State, during final contract negotiations. Any such terms and conditions shall be within the scope of the RFP and shall not affect the basis of proposal evaluations.
- 6.3.7 If a Proposer fails to sign and return the contract drawn pursuant to this RFP and final contract negotiations within 14 days of its delivery to the Proposer, the State may determine, at its sole discretion, that the Proposer is nonresponsive to the terms of this RFP and reject the proposal.
- 6.3.8 If the State determines that the apparent best evaluated Proposer is nonresponsive and rejects the proposal after opening Cost Proposals, the RFP Coordinator shall re-calculate scores for each responsive Cost Proposal and award the Contract in accordance with the requirements of 6.2.7., *et seq.*, above.

- 6.3.9 Contract award shall be subject to the contract approval of all appropriate State officials in accordance with applicable State laws and regulations.

7.1 Contractor Registration

Contractor Registration is required of all state contractors. Proposers need not be registered with the state to make a proposal. However, all service providers with whom the state of Tennessee contracts must register through the Department of Finance and Administration *Service Provider Registry System* (SPRS) prior to contract approval. Any unregistered service provider must simply file a completed registration with the State prior to the final approval of a contract.

- 7.1.1 The SPRS is intended to foster the state's use of minority and small businesses and promote competition in service contracting. Through the system, state agencies will have access to ownership and service information about potential service providers. For more information, visit the SPRS Internet site at <http://www.state.tn.us/finance/rds/ocr/sprs.html> or direct questions about SPRS registration to:

Department of Finance and Administration
Office of Contracts Review
12th Floor, William R. Snodgrass Tennessee Tower
Nashville, TN 37243-1700
(615) 741-7662

- 7.1.2 This RFP details SPRS registration information only as a contract requirement notice. SPRS registrations should not be submitted with proposal materials. SPRS registration information will not be considered in the evaluation process pursuant to this RFP.
- 7.1.3 If a Proposer fails to register with the state as a service provider as required by the Department of Finance and Administration within 14 days of final contract negotiations, the State may determine, at its sole discretion, that the Proposer is nonresponsive to the terms of this RFP.

7.2 Contract Approval

The RFP and the contractor selection processes do **not** obligate the State and do **not** create rights, interests, or claims of entitlement in the apparent best evaluated Proposer or any vendor. Contract award and State obligations pursuant thereto shall commence **only** after the contract is signed by the Contractor and the head of the procuring state agency **and** after the contract is signed by all other State officials as required by State laws and regulations to establish a legally binding contract.

7.3 Contract Payments

Contract payments shall be made in accordance with the Payment Terms and Conditions provision of the final contract.

No payment shall be made until the contract is approved as required by State laws and regulations. Under no conditions shall the State be liable for payment of any type associated with the contract or responsible for any work done by the Contractor, even work done in good faith and even if the Contractor is orally directed to proceed with the delivery of services, if it occurs before the contract start date specified by the contract or before contract approval by State officials as required by applicable statutes and rules of the State of Tennessee.

7.4 RFP and Proposal Incorporated into Final Contract

This RFP and the successful proposal shall be incorporated into the final contract.

7.5 Contract Monitoring

The Contractor shall be responsible for the completion of all work set out in the contract. All work is subject to inspection, evaluation, and acceptance by the State. The State may employ all reasonable means to ensure that the work is progressing and being performed in compliance with the contract. At reasonable times, the State may inspect those areas of the Contractor's place of business that are related to the performance of the contract. If the State requires such an inspection, the Contractor shall provide reasonable access and assistance.

7.6 Contract Amendment

During the course of this contract, the State may request the Contractor to perform additional work for which the Contractor would be compensated. That work shall be within the general scope of this RFP. In such instances, the State shall provide the Contractor a written description of the additional work, and the Contractor shall submit a time schedule for accomplishing the additional work and a price for the additional work based on the rates included in the Contractor's Proposal to this RFP. If the State and the Contractor reach an agreement regarding the work and associated compensation, said agreement shall become effective by means of a contract amendment. Any such amendment requiring additional work must be mutually agreed upon by the parties and signed by the Contractor and the head of the procuring state agency and must be approved by other State officials as required by State laws and regulations. The Contractor shall not commence additional work until the State has issued a written contract amendment and secured all required approvals.

The *pro forma* contract (provided in the following pages) contains capitalized and bracketed items that shall be replaced with appropriate information in the final contract.

**CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF FINANCE AND ADMINISTRATION
TENN CARE Program
AND
[CONTRACTOR NAME]**

This Contract, by and between the State of Tennessee, Department of Finance and Administration, TennCare Program, hereinafter referred to as the "State" or "TennCare" and [CONTRACTOR LEGAL ENTITY NAME], hereinafter referred to as the "Contractor," is for the provision of medical underwriting for the TennCare Program, as further defined in the "SCOPE OF SERVICES."

The Contractor is [AN INDIVIDUAL / A FOR-PROFIT CORPORATION / A NONPROFIT CORPORATION / A SPECIAL PURPOSE CORPORATION OR ASSOCIATION / A FRATERNAL OR PATRIOTIC ORGANIZATION / A PARTNERSHIP / A JOINT VENTURE / A LIMITED LIABILITY COMPANY]. The Contractor's address is:

[ADDRESS]

The Contractor's place of incorporation or organization is [STATE OF ORGANIZATION].

A. SCOPE OF SERVICES:

A.1. **General Requirements**

The contractor shall comply with the following requirements at the inception of this Agreement and at all times during the life of this Agreement:

- A.1.1 Be licensed as an underwriter or to sell health insurance in the State of Tennessee;
- A.1.2. Demonstrate appropriate underwriting, actuarial, and medical expertise as required to complete the services required by the contract;
- A.1.3. Agree to comply with all applicable federal and state laws and regulations, including Constitutional provisions regarding due process and equal protection of the laws and including but not limited to Title VI of the Civil Rights Act of 1964 and the Americans with Disabilities Act; and
- A.1.4 Agree to administer the medically eligible application process as defined by the State, in accordance with all forms and criteria provided by the state and submit to all audits and reviews as required by the Bureau of TennCare and any State or Federal laws or regulation.

A.2 **Administration and Management**

The minimum staff requirements for this Agreement are as follows:

A.2.1 Staffing Requirements

- A.2.1.1 The Contractor shall employ a full-time project director specifically identified to administer the day to day business activities of this Agreement. The project director must be approved by

TennCare and must be accessible to TennCare management during normal business hours (8:00a.m. – 4:30 p.m. CST), five (5) days a week.

- A.2.1.2 The Contractor shall employ sufficient full-time medical underwriting staff to process applications for medical eligibility determinations within a maximum of 14 calendar days of receipt of a completed application.
- A.2.1.3 The Contractor shall develop an underwriting training manual and hold a formal training session for all medical underwriting staff who will be involved in determining medical eligibility for the TennCare Standard program. The purpose of the training manual is to provide uniform guidance to staff on the use of underwriting guidelines as supplied by the State. The training manual must be submitted to the State for approval prior to contract begin date.
- A.2.1.4 The Contractor shall designate a staff person responsible for Title VI compliance on behalf of the Contractor. The Contractor does not have to require that Title VI compliance be the sole function of the designated staff member.
- A.2.1.5 The Contractor shall have a staff person whose primary responsibility is communicating with applicants regarding questions on how to complete the Application or inquiries on their application status. The Contractor shall establish and maintain a toll free number or accept collect calls from applicants. The applicant Hotline shall be sufficiently staffed to respond to applicants' questions during normal business hours, five (5) days a week. The average wait time for assistance shall not exceed five (5) minutes. The Hotline shall be adequately staffed and Hotline staff shall be adequately trained to accurately respond to questions regarding the medical eligibility determination process.
- A.2.1.6 The Contractor shall make sufficient medical personnel and actuaries available to review applications and consult underwriters on applications for medically eligible determinations submitted by persons with rare conditions that might not be addressed by the disease/medical condition list developed by the State.
- A.2.1.7 The Contractor shall make staff persons available to provide expert witness testimony and/or deposition as needed for appeal hearing or any other legal proceedings as needed.

A.2.2 Staff Qualifications

- A.2.2.1 The Contractor is responsible for assuring that all persons, whether they are employees, agents, subcontractors, providers, or anyone acting for or on behalf of the Contractor, are legally authorized to render service under applicable state law and/or regulations. Failure to adhere to this provision may result in the application of liquidated damages or contract termination.
- A.2.2.2 All underwriters employed by the Contractor must be certified as Registered Health Underwriters.

A.2.3 Contract Management

- A.2.3.1 At the request of the State, the Contractor shall meet with representatives of the State on a monthly basis to discuss any problems and/or progress on satisfying the Contractor's duties. The Contractor shall have in attendance its Program Director, and representatives from its organizational units required to respond to topics identified by the State or the Contractor. The Contractor shall provide information concerning application volume and feedback on the underwriting criteria provided by the State. The Contractor shall develop a quarterly report package that includes statistics based on actual applications received, status of applications and projections for coming quarter that summarize data provided in reports identified in Section A.5 of this Agreement.

- A.2.3.2 The Contractor agrees to modify underwriting policies and implement modifications within thirty (30) days of receipt of written notice from the State, regardless of whether said modifications are the result of changes developed in collaboration with the Contractor or a third party.

A.3. Application Processing

The contractor will determine if an applicant is medically eligible for TennCare Standard using the disease/medical condition list supplied by the State and the contractor's own discretionary determinations that a combination of medical factors would render the applicant ineligible for commercial health insurance in accordance with the following:

- A.3.1 The Contractor shall make all eligibility determination on the basis of the disease/medical condition list developed by the State and the discretionary criteria that the Contractor proposed in response to the State's procurement for this Agreement.
- A.3.2 The Contractor agrees to use the application provided by the State for the purpose of determining eligibility
- A.3.3 The Contractor, prior to the contract begin date, shall develop written policies and procedures for the evaluation of conditions that are not addressed by the State's disease/medical condition list. Such policies and procedures must receive approval by the State prior to implementation.
- A.3.4 The Contractor shall require underwriters to consult physicians with appropriate expertise for medically eligible applications submitted by persons with rare conditions that are not addressed by the state's disease/medical condition list.
- A.3.5 The Contractor shall process applications for medical eligibility determinations for persons whose income is above the poverty level during periods of open enrollment, regardless of the number of applications submitted. TennCare shall provide at least thirty (30) days notice in advance of any open enrollment period.
- A.3.6 The Contractor shall process applications for medical eligibility determinations for individuals with incomes below the federal poverty level and Medicaid roll-over applicants on a continuous basis.
- A.3.7 The Contractor shall process applications for medical eligibility determinations within a maximum of 14 calendar days of receipt of a completed application regardless if the application is submitted from a person during an open enrollment period or from a person during continuous enrollment.
- A.3.8 If the medical records that accompany the application are insufficient to support a determination of medical eligibility, the Contractor shall return the application to the TennCare Bureau with an explanation of the documents required to complete the determination.
- A.3.9 The Contractor shall not modify the application form provided by TennCare without the prior written approval of TennCare. The State reserves the right to modify the application.
- A.3.10 The Contractor shall retain all applications and supporting documentation (e.g. medical records, attending physician's statements, etc.) for a time period to be specified by the TennCare Bureau.
- A.3.11 The Contractor shall date stamp each application received and maintain a date record for each application.

A.4 Outreach and Education

- A.4.1 The Contractor shall not disclose Medical Eligibility determination outcomes to any parties, including the applicant. The Contractor's determination shall be sent to the TennCare Bureau.

The Contractor shall direct all applicants to the TennCare Member Services Hotline for questions regarding their application outcome.

A.4.2 The Contractor shall assist with applicant education and understanding of the medical eligibility determination process as requested by TennCare.

A.4.3 The Contractor shall direct applicants who may contact the Contractor to contest or grieve a determination of non-medical eligibility to the TennCare Solutions Unit and inform the applicant of the opportunity to appeal the determination. The Contractor agrees to distribute materials on the TennCare program, including notice of appeal rights, provided by the Bureau of TennCare as requested.

A.5 Data Collection and Reporting Requirements

The Contractor is responsible for complying with all the reporting requirements established by TennCare. TennCare shall provide the Contractor with the appropriate reporting formats, instructions, submission timetables, and technical assistance when required. TennCare may, at its discretion, require the Contractor to submit new reports, to recreate, reconstruct, or re-sort reports using the same or different reporting formats, instructions, and submission timetables as specified by TennCare. Requests to submit new reports, recreate, reconstruct, or re-sort said reports may be considered Ad Hoc reports or continuous reports and shall be due as specified in this Agreement .

<u>DELIVERABLES</u>	<u>DATE AGREED UPON BY THE PARTIES</u>
Develop written policies and procedures for the evaluation of conditions that are not addressed by the State's disease/medical condition list. (A.3.3.)	By Contract Begin Date
Provide underwriting training manual and hold formal training sessions for all medical underwriting staff. (A.2.1.3)	By Contract Begin Date
Ensure Contractor's data processing system satisfies TennCare Information Systems and is capable of exchanging data with Tennessee's TennCare eligibility sub-system prior to the delivery of services. (A.6.5)	Any Contractor issues with actual data exchange with Tennessee's TennCare eligibility sub-system must be resolved within 30 days after the Contract begin data.
Weekly Reports (A.5.2)	Wednesday of the following week
Quarterly Applicant Profile Report (A.5.4)	Thirty (30) days after the end of the quarter
Daily Electronic Reports (A.5.5.)	Daily
Ad Hoc Reports (A.5)	Within ten (10) working days from the date of the request when reasonable unless otherwise specified by TENNCARE.

Failure to report information, as specified by TennCare, shall result in the assessment of liquidated damages as described in Attachment 1 of this Agreement.

- A.5.1 The Contractor shall create and maintain a secure database to capture application data elements for each applicant. The database shall be used to support reporting requirements specified in Section A.5 and produce performance statistics. The report generation tool must suppress any and all information that may be used to identify an individual (Name, Social Security Number etc.).
- A.5.2 The Contractor shall provide an Application Processing Status Report to TennCare on a weekly basis by Wednesday of the following week that provides the following information:
 - a. the number of applications received;
 - b. the number of applications returned to the TennCare Bureau for incomplete information;
 - c. the number of applications in process;
 - d. the number of applications completed;
 - e. the average number of days between receipt of application and start date of application processing, and
 - f. the average number of days between start date of application processing and eligibility determination.
- A.5.3 The Contractor shall maintain and provide authorized TennCare representatives with access to a web-based status inquiry tool with extract capability that depicts the status of each application being processed by the Contractor. The database shall be updated at least weekly. The database shall also track the following information for each application:
 - a. date of receipt
 - b. pend date; (date application pended due to incomplete information)
 - c. notification date of incomplete application
 - d. start date of application processing;
 - e. end date of application processing;
 - f. date of TennCare notification of eligibility determination;
 - g. eligibility determination outcome; and
 - h. basis for medical eligibility (disease/medical condition list, contractor's discretionary criteria)
- A.5.4 The Contractor shall provide an Applicant Profile Report to TennCare on a quarterly basis within thirty days of the end of the quarter that summarizes the following information:
 - a. total number of applications processes;
 - b. total number of applicants determined medically eligible
 - c. number of applicants determined medically eligible based on disease/medical condition list;
 - d. number of applicant's determined medically eligible based on Contractor's discretionary criteria; and
 - e. top five conditions leading to medically eligible determination

A.5.5 The Contractor shall submit daily reports in electronic format, unless otherwise specified or approved by TennCare in writing, which shall service as the source of information to be used by the State to notify the applicant of the medically eligible determination outcome. The Contractor shall submit data in a manner and format described by TennCare to the agency designated by TennCare. The minimum data elements that shall be required for this report include, but are not limited to:

- a. enrollee's name;
- b. enrollee's social security number;
- c. enrollee's date of birth;
- d. enrollee's sex;
- e. enrollee's address;
- f. date of application; and
- g. medically eligible determination outcome.

A.6 Information Systems

The Contractor agrees to comply with the following provisions:

A.6.1 HIPAA. The Contractor agrees to comply with all Federal requirements of the Health Insurance Portability and Accountability Act (HIPAA). Further, the Contractor agrees that at such time that TennCare, in conjunction with appropriate work groups presents recommendations concerning electronic data transmission, privacy, and security the Contractor shall comply with said recommendations.

A.6.2 Contractor MIS Interface Requirements. The TennCare interface standard for data transfers shall be via FTP through a secured VPN account with backup contingency as agreed upon by the Contractor and the State.

A.6.2.1 In order to ensure the security and confidentiality of all transmitted files, the Contractor must have a system that establishes a secure connection to the TCMIS and the Contractor's processing site. The Bureau of TennCare provides secure encrypted access to the TCMIS via a Virtual Private Networking (VPN) account. Users will be required to submit a signed TennCare Security Agreement to establish access. TennCare will establish a VPN and File Transfer Protocol (FTP) accounts upon the receipt of the user signed security agreement. This secure connection must meet the following specifications of the TennCare Bureau, OIR and the State of Tennessee:

- a. All communication options are to be coordinated through Mr. Ken Barker, Director of Information Systems, TennCare 729 Church Street, Nashville, Tennessee 37247-6501
- b. The Contractor shall provide TennCare's Director of Information Systems signed TennCare security agreements for users that will access the TCMIS.
- c. TennCare will provide Virtual Private Networking (VPN) and File Transfer Protocol (FTP) accounts upon receipt of the signed agreements.
- d. The Contractor shall provide all hardware and software required at the Contractor site for access to the TCMIS.
- e. The Contractor shall notify the Director of Information Systems upon termination of any user having access to the TCMIS.

A.6.4 Data Mapping. The Contractor shall complete all data mapping necessary to receive and submit information to TennCare in a standardized format provided by TennCare. This will consist of a cross-reference map of required TCMIS data and Contractor system data elements and data structures. TennCare will make any required data formats available to the Contractor.

A.6.5 Readiness Review. The Contractor shall work with TennCare to ensure that their processing system satisfies the functional and informational requirements to exchange data with Tennessee's TennCare eligibility sub-system prior to the start of the application processing. The Contractor shall assist TennCare in the analysis and testing of the information systems prior to the delivery

of services. The Contractor must provide system access to allow TennCare to test the Contractor's system through the TennCare network. Any software or additional communications network required for access shall be provided by the Contractor and must comply with the State of Tennessee standards. Any issues with actual data exchange with Tennessee's TennCare eligibility sub-system must be resolved within 30 days after the Contract begin date.

- A.6.6 System Security. The Contractor shall apply recognized industry standards governing security of State and Federal Automated Data Processing software systems and information processing. In addition, system security standards must meet or exceed State of Tennessee standards. At a minimum, the State requires the Contractor to conduct a security risk analysis and to communicate the results in an Information Security Plan provided prior to the delivery of services. The risk analysis shall also be made available to appropriate Federal agencies.

The following specific security measures should be included in the system design documentation and operating procedures:

- a. Computer hardware controls that ensure acceptance of data from authorized networks only.
- b. At the Contractor's central facility, placement of software controls that establish separate files for lists of authorized user access and identification codes.
- c. Manual procedures that provide secure access to the system with minimal risk.
- d. Multilevel passwords, identification codes or other security procedures that must be used by State agency or Contractor personnel.
- e. All Contractor MIS software changes are subject to TennCare approval prior to implementation.
- f. System operation functions must be segregated from systems development duties.

A.7 Records Maintenance and Confidentiality

- A.7.1 The Contractor shall have medical record confidentiality policies and procedures in place. All employees shall be provided with a copy of the Contractor's confidentiality policies and procedures and required to adhere to those policies and procedures as a condition of employment.
- A.7.2 The Contractor shall maintain the application and all supporting documents and records submitted by the applicant or obtained by the Contractor for a minimum of five years. The Contractor shall have a comprehensive and reliable process for ensuring the confidential and safe storage of paper application files. All original applications and supporting documentation must be available to authorized TennCare personnel immediately upon request.

B. CONTRACT TERM:

- B.1. Contract Term. This Contract shall be effective for the period commencing on March 1, 2003 and ending on June 30, 2005. The State shall have no obligation for services rendered by the Contractor which are not performed within the specified period.
- B.2. Term Extension. The State reserves the right to extend this Contract for an additional period or periods of time representing increments of no more than one year and a total contract term of no more than five (5) years, provided that the State notifies the Contractor in writing of its intention to do so at least sixty (60) days prior to the contract expiration date. An extension of the term of this Contract will be effected through an amendment to the Contract. If the extension of the Contract necessitates additional funding beyond that which was included in the original Contract, the increase in the State's maximum liability will also be effected through an amendment to the Contract and shall be based upon rates provided for in the original contract.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed [WRITTEN DOLLAR AMOUNT] (\$[NUMBER AMOUNT]). The Service Rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Service Rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the Service Rates detailed in Section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

- C.2. Compensation Firm. The Service Rates and the Maximum Liability of the State under this Contract are firm for the duration of the Contract and are not subject to escalation for any reason unless amended.
- C.3. Payment Methodology. The Contractor shall be compensated based on the Service Rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in Section C.1. The Contractor's compensation shall be contingent upon the satisfactory completion of units of service or project milestones defined in Section A. The Contractor shall be compensated based upon the following Service Rates:

<u>SERVICE UNIT/MILESTONE</u>	<u>AMOUNT</u>
<u>Review and determination of insurability for Medical Eligibility Application 3/01/03-6/30-03</u>	\$ <u>per completed application</u>
<u>Review and determination of insurability for Medical Eligibility Application 7/1/03-6/30-04Return applications and records to the State</u>	\$ <u>per completed application</u>
<u>Review and determination of insurability for Medical Eligibility Application 7/1/04-6/30/05</u>	\$ <u>per completed application</u>
<u>THE FOLLOWING RATES WILL APPLY ONLY IF CONTRACT IS AMENDED TO EXTEND TERM</u>	
<u>Review and determination of insurability for Medical Eligibility Application 07/01/05-06/30/06</u>	\$ <u>per completed application</u>
<u>Review and determination of insurability for Medical Eligibility Application 07/01/06-06/30/07</u>	\$ <u>per completed application</u>
<u>Review and determination of insurability for Medical Eligibility Application 07/01/07- 2/28/08</u>	\$ <u>per completed application</u>
<u>Return applications and records to the State</u>	<u>Actual, UPS, Federal Express, and/or Postal charges</u>

The Contractor shall submit monthly invoices, in form and substance acceptable to the State with all of the necessary supporting documentation, prior to any payment. Such invoices shall be submitted for completed units of service or project milestones for the amount stipulated.

- C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel, meals, or lodging.
- C.5. Payment of Invoice. The payment of the invoice by the State shall not prejudice the State's right to object to or question any invoice or matter in relation thereto. Such payment by the State shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the amounts invoiced therein.
- C.6. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the State, on the basis of audits conducted in accordance with the terms of this contract, not to constitute proper remuneration for compensable services.
- C.7. Deductions. The State reserves the right to deduct from amounts which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee any amounts which are or shall become due and payable to the State of Tennessee by the Contractor.
- C.8. Automatic Deposits. The Contractor shall complete and sign an "Authorization Agreement for Automatic Deposit (ACH Credits) Form." This form shall be provided to the Contractor by the State. Once this form has been completed and submitted to the State by the Contractor all payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee shall be made by Automated Clearing House (ACH). The Contractor shall not invoice the State for services until the Contractor has completed this form and submitted it to the State.
- D. STANDARD TERMS AND CONDITIONS:
 - D.1. Required Approvals. The State is not bound by this Contract until it is approved by the appropriate State officials in accordance with applicable Tennessee State laws and regulations.
 - D.2. Modification and Amendment. This Contract may be modified only by a written amendment executed by all parties hereto and approved by the appropriate Tennessee State officials in accordance with applicable Tennessee State laws and regulations.
 - D.3. Termination for Convenience. The State may terminate this Contract without cause for any reason. Said termination shall not be deemed a Breach of Contract by the State. The State shall give the Contractor at least thirty (30) days written notice before the effective termination date. The Contractor shall be entitled to receive compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor for compensation for any service which has not been rendered. Upon such termination, the Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
 - D.4. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor violates any terms of this Contract, the State shall have the right to immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor.
 - D.5. Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the

State. If such subcontracts are approved by the State, they shall contain, at a minimum, sections of this Contract pertaining to "Conflicts of Interest" and "Nondiscrimination" (sections D.6. and D.7.). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.

- D.6. Conflicts of Interest. The Contractor warrants that no part of the total Contract Amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed relative to this Contract.
- D.7. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Contractor shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.8. Records. The Contractor shall maintain documentation for all charges against the State under this Contract. The books, records, and documents of the Contractor, insofar as they relate to work performed or money received under this contract, shall be maintained for a period of three (3) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.9. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.10. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.11. Strict Performance. Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.
- D.12. Independent Contractor. The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

The Contractor, being an independent contractor and not an employee of the State, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Contractor's employees, and to pay all applicable taxes incident to this Contract.

- D.13. State Liability. The State shall have no liability except as specifically provided in this Contract.

- D.14. Force Majeure. The obligations of the parties to this contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, acts of God, riots, wars, strikes, epidemics or any other similar cause.
- D.15. State and Federal Compliance. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.
- D.16. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Contractor agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Contractor acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under ***Tennessee Code Annotated***, Sections 9-8-101 through 9-8-407.
- D.17. Completeness. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D.18. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.
- D.19. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.
- E. SPECIAL TERMS AND CONDITIONS:
- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.
- E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by facsimile transmission, by overnight courier service, or by first class mail, postage prepaid, addressed to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number, or address as may be hereafter specified by written notice.

The State:

Deputy Commissioner
Department of Finance and Administration
TennCare Program
729 Church Street
Nashville, TN 37247
(615) 741-0043
(615) 532-3479 Fax

The Contractor:

[NAME AND TITLE OF CONTRACTOR CONTACT PERSON]
[CONTRACTOR NAME]
[ADDRESS]
[TELEPHONE NUMBER]

[FACSIMILE NUMBER]

All instructions, notices, consents, demands, or other communications shall be considered effectively given as of the day of delivery; as of the date specified for overnight courier service delivery; as of three (3) business days after the date of mailing; or on the day the facsimile transmission is received mechanically by the telefax machine at the receiving location and receipt is verbally confirmed by the sender if prior to 4:30 p.m. CST. Any communication by facsimile transmission shall also be sent by United States mail on the same date of the facsimile transmission.

- E.3. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate the Contract upon written notice to the Contractor. Said termination shall not be deemed a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. Should such an event occur, the Contractor shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

- E.4. Breach. A party shall be deemed to have breached the Contract if any of the following occurs:

- failure to perform in accordance with any term or provision of the Contract;
- partial performance of any term or provision of the Contract;
- any act prohibited or restricted by the Contract, or
- violation of any warranty.

For purposes of this contract, these items shall hereinafter be referred to as a “Breach.”

- a. Contractor Breach— The State shall notify Contractor in writing of a Breach.

- (1) In event of a Breach by Contractor, the state shall have available the remedy of Actual Damages and any other remedy available at law or equity.
- (2) Liquidated Damages— In the event of a Breach, the State may assess Liquidated Damages. The State shall notify the Contractor of amounts to be assessed as Liquidated Damages. The parties agree that due to the complicated nature of the Contractor’s obligations under this Contract it would be difficult to specifically designate a monetary amount for a Breach by Contractor as said amounts are likely to be uncertain and not easily proven. Contractor hereby represents and covenants it has carefully reviewed the Liquidated Damages contained in above referenced, Attachment 1 and agree that said amounts represent a reasonable relationship between the amount and what might reasonably be expected in the event of Breach, and are a reasonable estimate of the damages that would occur from a Breach. It is hereby agreed between the parties that the Liquidated Damages represent solely the damages and injuries sustained by the State in losing the benefit of the bargain with Contractor and do not include any injury or damage sustained by a third party. The Contractor agrees that the liquidated damage amount is in addition to any amounts Contractor may owe the State pursuant to the indemnity provision or other section of this Contract.

The State may continue to withhold the Liquidated Damages or a portion thereof until the Contractor cures the Breach, the State exercises its option to declare a Partial Default, or the State terminates the Contract. The State is not obligated to assess Liquidated Damages before availing itself of any other remedy. The State may choose to discontinue Liquidated Damages and avail itself of any other remedy available under this Contract or at law or equity; provided, however,

Contractor shall receive a credit for said Liquidated Damages previously withheld except in the event of a Partial Default.

- (3) Partial Default— In the event of a Breach, the State may declare a Partial Default. In which case, the State shall provide the Contractor written notice of: (1) the date which Contractor shall terminate providing the service associated with the Breach; and (2) the date the State will begin to provide the service associated with the Breach. Notwithstanding the foregoing, the State may revise the time periods contained in the notice written to the Contractor.

In the event the State declares a Partial Default, the State may withhold, together with any other damages associated with the Breach, from the amounts due the Contractor the greater of: (1) amounts which would be paid the Contractor to provide the defaulted service; or (2) the cost to the State of providing the defaulted service, whether said service is provided by the State or a third party. To determine the amount the Contractor is being paid for any particular service, the Department shall be entitled to receive within five (5) days any requested material from Contractor. The State shall make the final and binding determination of said amount.

The State may assess Liquidated Damages against the Contractor for any failure to perform which ultimately results in a Partial Default with said Liquidated Damages to cease when said Partial Default is effective. Upon Partial Default, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount. Contractor agrees to cooperate fully with the State in the event a Partial Default is taken

- (4) Contract Termination— In the event of a Breach, the State may terminate the Contract immediately or in stages. The Contractor shall be notified of the termination in writing by the State. Said notice shall hereinafter be referred to as Termination Notice. The Termination Notice may specify either that the termination is to be effective immediately, on a date certain in the future, or that the Contractor shall cease operations under this Contract in stages. In the event of a termination, the State may withhold any amounts which may be due Contractor without waiver of any other remedy or damages available to the State at law or at equity. The Contractor shall be liable to the State for any and all damages incurred by the State and any and all expenses incurred by the State which exceed the amount the State would have paid Contractor under this Contract. Contractor agrees to cooperate with the State in the event of a Contract Termination or Partial Takeover.

- b. State Breach— In the event of a Breach of contract by the State, the Contractor shall notify the State in writing within 30 days of any Breach of contract by the State. Said notice shall contain a description of the Breach. Failure by the Contractor to provide said written notice shall operate as an absolute waiver by the Contractor of the State's Breach. In no event shall any Breach on the part of the State excuse the Contractor from full performance under this Contract. In the event of Breach by the State, the Contractor may avail itself of any remedy at law in the forum with appropriate jurisdiction; provided, however, failure by the Contractor to give the State written notice and opportunity to cure as described herein operates as a waiver of the State's Breach. Failure by the Contractor to file a claim before the appropriate forum in Tennessee with jurisdiction to hear such claim within one (1) year of the written notice of Breach shall operate as a waiver of said claim in its entirety. It is agreed by the parties this provision establishes a contractual period of limitations for any claim brought by the Contractor.

- E.5. Partial Takeover. The State may, at its convenience and without cause, exercise a partial takeover of any service which the Contractor is obligated to perform under this Contract,

including but not limited to any service which is the subject of a subcontract between Contractor and a third party, although the Contractor is not in Breach (hereinafter referred to as "Partial Takeover"). Said Partial Takeover shall not be deemed a Breach of Contract by the State. Contractor shall be given at least 30 days prior written notice of said Partial Takeover with said notice to specify the area(s) of service the State will assume and the date of said assumption. Any Partial Takeover by the State shall not alter in any way Contractor's other obligations under this Contract. The State may withhold from amounts due the Contractor the amount the Contractor would have been paid to deliver the service as determined by the State. The amounts shall be withheld effective as of the date the State assumes the service. Upon Partial Takeover, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

- E.6. Incorporation of Additional Documents. Included in this Contract by reference are the following documents:

- a. The Contract document and its attachments
- b. All Clarifications and addenda made to the Contractor's Proposal
- c. The Request for Proposal and its associated amendments
- d. Technical Specifications provided to the Contractor
- e. The Contractor's Proposal

In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these documents shall govern in order of precedence detailed above.

- E.7. Workpapers Subject to Review. The Contractor shall make all audit, accounting, or financial analysis workpapers, notes, and other documentation available for review by the Comptroller of the Treasury or his representatives, upon request, during normal working hours either while the analysis is in progress or subsequent to the completion of this Contract.

- E.8. Lobbying. The Contractor certifies, to the best of its knowledge and belief, that:

No federally appropriated funds have been paid or will be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, and entering into any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this contract, grant, loan, or cooperative agreement, the Contractor shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

The Contractor shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-grants, subcontracts, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients of federally appropriated funds shall certify and disclose accordingly.

- E.9. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State shall be regarded as confidential information in accordance with the provisions of applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards. Such confidential information shall not be disclosed, and all necessary steps shall be taken by the Contractor to safeguard the

confidentiality of such material or information in conformance with applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards.

The Contractor's obligations under this section do not apply to information in the public domain; entering the public domain but not from a breach by the Contractor of this Contract; previously possessed by the Contractor without written obligations to the State to protect it; acquired by the Contractor without written restrictions against disclosure from a third party which, to the Contractor's knowledge, is free to disclose the information; independently developed by the Contractor without the use of the State's information; or, disclosed by the State to others without restrictions against disclosure. Nothing in this paragraph shall permit Contractor to disclose any information that is confidential under federal or state law or regulations, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the State or third parties.

It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Contract.

- E.10. Date/Time Hold Harmless. As required by **Tennessee Code Annotated**, Section 12-4-118, the contractor shall hold harmless and indemnify the State of Tennessee; its officers and employees; and any agency or political subdivision of the State for any breach of contract caused directly or indirectly by the failure of computer software or any device containing a computer processor to accurately or properly recognize, calculate, display, sort or otherwise process dates or times.
- E.11. Hold Harmless. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys for the State in the event such service is necessitated to enforce the terms of this Contract or otherwise enforce the obligations of the Contractor to the State.

In the event of any such suit or claim, the Contractor shall give the State immediate notice thereof and shall provide all assistance required by the State in the State's defense. The State shall give the Contractor written notice of any such claim or suit, and the Contractor shall have full right and obligation to conduct the Contractor's own defense thereof. Nothing contained herein shall be deemed to accord to the Contractor, through its attorney(s), the right to represent the State of Tennessee in any legal matter, such rights being governed by **Tennessee Code Annotated**, Section 8-6-106.

- E.12. Tennessee Consolidated Retirement System. The Contractor acknowledges and understands that, subject to statutory exceptions contained in **Tennessee Code Annotated**, Section 8-36-801, *et. seq.*, the law governing the Tennessee Consolidated Retirement System, provides that if a retired member returns to State employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of "employee/employer" and not that of an independent contractor, the Contractor may be required to repay to the Tennessee Consolidated Retirement System the amount of retirement benefits the Contractor received from the Retirement System during the period of this Contract.
- E.13. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it and its principals:
- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal or State department or agency;

- b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offence in connection with obtaining attempting to obtain, or performing a public (Federal, State, or Local) transaction or grant under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
 - c. are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State, or Local) with commission of any of the offenses detailed in section b. of this certification; and
 - d. have not within a three (3) year period preceding this Contract had one or more public transactions (Federal, State, or Local) terminated for cause or default.
- E.14. HIPAA Compliance. Contractor warrants to the State that it is familiar with the requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its accompanying regulations, and will comply with all applicable HIPAA requirements in the course of this contract. Contractor warrants that it will cooperate with the State in the course of performance of the contract so that both parties will be in compliance with HIPAA, including cooperation and coordination with State privacy officials and other compliance officers required by HIPAA and its regulations. Contractor will sign any documents that are reasonably necessary to keep the State and Contractor in compliance with HIPAA, including but not limited to business associate agreements.
- E.15. It is not the intent of the Parties to create any liabilities on the part of the Contractor to third parties.

IN WITNESS WHEREOF:

[CONTRACTOR LEGAL ENTITY NAME]:

[NAME AND TITLE]

Date

**DEPARTMENT OF FINANCE AND ADMINISTRATION
BUREAU OF TENNCARE:**

C. Warren Neel, Ph.D., Commissioner

Date

APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:

C. Warren Neel, Ph.D., Commissioner

Date

COMPTROLLER OF THE TREASURY:

John G. Morgan, Comptroller of the Treasury

Date

ATTACHMENT 1
LIQUIDATED DAMAGES

- I.** TENNCARE may impose any or all of the liquidated damages below upon TENNCARE's reasonable determination that the CONTRACTOR is deficient in the performance of its obligations under the Agreement, provided, however, that TENNCARE only impose those damages it determines to be appropriate for the deficiencies identified. Intermediate damages may include application of liquidated damages as described in Section E.4.a.(2).

II. Liquidated Damages

Reports and Deliverables

For each day that a report or deliverable is late, incorrect, or deficient, the CONTRACTOR shall be liable to TENNCARE for liquidated damages in the amount of \$100 per work day per report or deliverable. Liquidated damages for late reports shall begin on the first day the report is late. Liquidated damages for incorrect reports (except ad hoc or on-request reports involving provider network information), or deficient deliverables shall begin on the sixteenth day after notice is provided from TENNCARE to the CONTRACTOR that the report remains incorrect or the deliverables remain deficient; provided, however, that it is reasonable to correct the report or deliverable within fifteen (15) calendar days. For the purposes of ad hoc or on-request reports involving provider network information, liquidated damages for incorrect reports shall begin on the first day the report is determined by TENNCARE to be incorrect. For the purposes of determining liquidated damages in accordance with this Section, reports or deliverables are due in accordance with the following schedule, unless otherwise specified elsewhere in this Agreement:

<u>DELIVERABLES</u>	<u>DATE AGREED UPON BY THE PARTIES</u>
Develop written policies and procedures for the evaluation of conditions that are not addressed by the State's disease/medical condition list. (A.3.3.)	By Contract Begin Date
Provide underwriting training manual and hold formal training sessions for all medical underwriting staff. (A.2.1.3)	By Contract Begin Date
Ensure Contractor's data processing system satisfies TennCare Information Systems and is capable of exchanging data with Tennessee's TennCare eligibility sub-system prior to the delivery of services. (A.6.5)	Any Contractor issues with actual data exchange with Tennessee's TennCare eligibility sub-system must be resolved within 30 days after the Contract begin data.
Weekly Reports (A.5.2)	Wednesday of the following week
Quarterly Applicant Profile Report (A.5.4)	Thirty (30) days after the end of the quarter
Daily Electronic Reports (A.5.5.)	Daily

Ad Hoc Reports (A.5)	Within ten (10) working days from the date of the request when reasonable unless otherwise specified by TENNCARE.

<u>PROGRAM ISSUES</u>	<u>DAMAGE</u>
Failure to ensure that all persons, whether they are employees, agents, subcontractors, providers, or anyone acting for or on behalf of the Contractor, are legally authorized to render service under applicable state law and/or regulations as specified in A.2.2.1	\$1,000 per occurrence.
Failure to process applications for medical eligibility determinations within a maximum of 14 calendar days of receipt of a completed application as specified in A.2.1.2.	\$1,000 per occurrence.
Failure to ensure that all underwriters employed by the Contractor must be certified as Registered Health Underwriters as specified in A.2.2.2.	\$1,000 per occurrence.
Failure to modify underwriting policies and implement modifications within thirty (30) days of receipt of written notice from the State, regardless of whether said modifications are the result of changes developed in collaboration with the Contractor or a third party as specified in A.2.3.2.	\$1,000 per occurrence.
Failure to ensure Contractor's data processing system satisfies TennCare Information Systems and is capable of exchanging data with Tennessee's TennCare eligibility sub-system prior to the delivery of services. Any issues with actual data exchange with Tennessee's TennCare eligibility sub-system must be resolved within 30 days after the Contract begin date (A.6.5)	\$1,000 weekly to begin after initial 30 day period.

III. Payment of Liquidated Damages

It is further agreed by TENNCARE and the CONTRACTOR that any liquidated damages assessed by TENNCARE shall be due and payable to TENNCARE within thirty (30) calendar days after CONTRACTOR receipt of the notice of damages and if payment is not made by the due date, said liquidated damages may be withheld from future payments by TENNCARE without further notice. Liquidated damages as described herein shall not be passed to a provider and/or subcontractor unless the damage was caused due to an action or inaction of the provider and/or subcontractor. All liquidated damages imposed pursuant to this Agreement, whether paid or due, shall be paid by the CONTRACTOR out of administrative and management costs and profits.

CERTIFICATION OF COMPLIANCE

RFP # 318.65-115

Proposer Name

By indication of the authorized signature below, the Proposer does hereby make certification and assurance of the Proposer's compliance with:

- a) the laws of the State of Tennessee;
- b) Title VI of the federal Civil Rights Act of 1964;
- c) Title IX of the federal Education Amendments Act of 1972;
- d) the Equal Employment Opportunity Act and the regulations issued thereunder by the federal government;
- e) the Americans with Disabilities Act of 1990 and the regulations issued thereunder by the federal government;
- f) the condition that the submitted proposal was independently arrived at, without collusion, under penalty of perjury; and,
- g) the condition that no amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Proposer in connection with the Procurement under this RFP.

Proposer Signature

Date

COST PROPOSAL FORMAT

RFP # 318.65-115

Proposer Name
NOTICE TO PROPOSER:

The Proposer shall indicate below the offered price for providing all services proposed including all services as defined in the *pro forma* contract Scope of Services of the subject RFP. This Cost Proposal must specifically record below the exact cost amount(s) proposed in the appropriate space(s) as required herein. Said cost proposed must incorporate all cost for the proposed scope of services for the total contract period.

The Cost Proposal shall detail only the cost proposed as required, and shall not detail any other rates, amounts, or information. It shall not detail any text that could be construed as a qualification of the cost proposed. If the Proposer fails to specify the Cost Proposal as required, the State shall determine the proposal to be nonresponsive and reject it.

The proposer must sign and date the Cost Proposal.

PROPOSED COST

<u>Review and determination of insurability for Medical Eligibility Application 3/01/03-6/30-03</u>	_____ per completed application
<u>Review and determination of insurability for Medical Eligibility Application 7/1/03-6/30-04</u>	_____ per completed application
<u>Review and determination of insurability for Medical Eligibility Application 7/1/04-6/30-05</u>	_____ per completed application
<u>THE FOLLOWING RATES WILL APPLY ONLY IF CONTRACT IS AMENDED TO EXTEND TERM</u>	
<u>Review and determination of insurability for Medical Eligibility Application 7/1/05-6/30-06</u>	_____ per completed application
<u>Review and determination of insurability for Medical Eligibility Application 7/1/06-6/30-07</u>	_____ per completed application

<u>Review and determination of insurability for Medical Eligibility Application 7/1/07- 2/28/08</u>	_____ per completed application
--	------------------------------------

The proposed cost and the submitted technical proposal associated with this cost shall remain valid for at least **90** days subsequent to the date of the Cost Proposal opening and thereafter in accordance with any resulting contract between the Proposer and the State.

Proposer Signature

Date

TECHNICAL PROPOSAL EVALUATION FORMAT

RFP # 318.65-115

Proposer Name

Evaluator

Date

PROPOSAL EVALUATIONS CATEGORY (AND RELATED CRITERIA)	SCORE
<u>General Proposer Qualifications and Experience (Maximum Points: 20)</u> <ul style="list-style-type: none"> - vendor credentials - Proposer's background including an organizational history - whether the Proposer or any of the Proposer's employees, agents, independent contractors, or subcontractors have been convicted of, pled guilty to, or pled <i>nolo contendere</i> to any felony - pending litigation against the Proposer - bankruptcy or insolvency proceedings - organizational chart highlighting key personnel assigned to accomplish the work called for in this RFP - proposed project team, members, and organizational structure - personnel roster and resumes of key people assigned to the proposed project - performance of current contractual relationships with the State of Tennessee or those completed within the previous five year period - customer references for similar projects representing both the three largest accounts currently serviced by the vendor and three completed projects 	
<u>Technical Approach (Maximum Points: 30)</u> <ul style="list-style-type: none"> - vendor's understanding of the requirements of the project and the project schedule - how the Proposer will complete the scope of services as required - how the Proposer will manage the project and ensure completion of the scope of services as required - how the Proposer will use discretionary criteria in addition to the State's disease/medical condition list as well as height and weight information from the applicant to determine whether that individual is eligible for private insurance coverage. 	
TOTAL TECHNICAL PROPOSAL SCORE:	

COST PROPOSAL EVALUATION FORMAT

RFP # 318.65-115

Proposer Name

RFP Coordinator

Date
PROPOSED COST FOR EVALUATION:
**[AVERAGE OF COMPLETED
APPLICATION RATES IN
COST PROPOSAL]**

The RFP Coordinator shall use the proposed cost for evaluation amount derived from cost proposals and the following formula to calculate the **SCORE** for the subject cost proposal (calculations shall result in numbers rounded to two decimal places).

$$\frac{\text{lowest proposed cost for evaluation}}{\text{proposed cost for evaluation being evaluated}}$$

$$\times \text{maximum cost points}$$

$$= \text{SCORE of cost proposal being evaluated}$$

1. Lowest total proposed cost amount from <u>all</u> proposals:	
2. The total proposed cost for <u>this</u> proposal:	
3. The amount calculated by dividing the amount in row #1 by the amount in row #2:	
4. The maximum number of points that shall be awarded for the Cost Proposal category:	50
5. COST PROPOSAL SCORE -- the product calculated by multiplying the amount in row #3 by the number in row #4:	

PROPOSAL SCORE SUMMARY MATRIX
RFP # 318.65-115

[SIGNATURE]

RFP Coordinator

Date

	[PROPOSER NAME]	[PROPOSER NAME]	[PROPOSER NAME]
QUALIFICATIONS AND EXPERIENCE Maximum Points: 20			
[EVALUATOR NAME]			
[EVALUATOR NAME]			
[EVALUATOR NAME]			
[EVALUATOR NAME]			
[EVALUATOR NAME]			
AVERAGE SCORE:		AVERAGE SCORE:	
TECHNICAL APPROACH Maximum Points: 30			
[EVALUATOR NAME]			
[EVALUATOR NAME]			
[EVALUATOR NAME]			
[EVALUATOR NAME]			
[EVALUATOR NAME]			
AVERAGE SCORE:		AVERAGE SCORE:	
COST PROPOSAL Maximum Points: 50			
SCORE:		SCORE:	
PROPOSAL SCORE (Maximum 100 Points)			
TOTAL SCORE:		TOTAL SCORE:	

NOTE: Use as many sheets as necessary to summarize scores for all Proposers evaluated.

SAMPLE EVALUATION NOTICE



State of Tennessee
Department of Finance and Administration
TennCare Program
729 Church Street
Nashville, TN 37247

[DATE]

[NAME]
[COMPANY NAME]
[STREET ADDRESS]
[CITY, STATE, ZIP]

Dear [NAME],

Thank you for your proposal in response to RFP number 318.65-115. The state has completed its evaluation of proposals in response to this Request for Proposals, and the subject procurement records are open for public inspection.

[NAME OF APPARENT BEST EVALUATED PROPOSER] is the apparent best evaluated proposer that the state will consider for contract award. This notice is NOT an acceptance of any offer, and the state retains the right to reject any proposal.

In accordance with the subject RFP and state law, this notice shall NOT create rights, interests, or claims of entitlement in the apparent best evaluated proposer or any vendor. No vendor shall acquire any such right unless and until a contract is fully signed by all appropriate state officials.

We appreciate your interest in providing services to the State of Tennessee and hope that you will respond to future Requests for Proposals.

Sincerely,

C. Warren Neel, Ph.D.
Commissioner

ATTACHMENT A

QUALIFYING MEDICAL CONDITIONS USED TO DETERMINE MEDICAL ELIGIBILITY

- ☐ *Alpha-1-Antitrypsin Deficiency*
277.6
- ☐ *ALS*
335.20
- ☐ *Alzheimer's* 331.0
- ☐ *Arrhythmias*
426-426.9, 427-427.9
- ☐ *Arthrogryposis*
728.3
- ☐ *Asbestosis* 501
- ☐ *Ataxia Telangiectasia*
334.8
- ☐ *Autism*
299.0, 299.1, 299.8, 299.9
- ☐ *Bipolar Disorders*
296.1, 296.3, 296.4, 296.5, 296.6, 296.7, 296.8-296.89
- ☐ *Cancer, with active treatment in past 12 months (includes Hodgkin's Disease, leukemia, lymphoblastoma, lymphoma, malignant tumor, melanoma, sarcoma)* 140-149, 150-159, 160-165, 170-172, 174-176, 179-189, 190-197, 198-199, 200-208
- ☐ *Cardiac Pacemakers*
V45.0, V45.00-V45.09
- ☐ *Cardiomyopathy*
425, 425.0-425.9
- ☐ *Cerebral Palsy*
343, 343.0-343.9
- ☐ *Cerebrovascular Accidents (Thrombosis/ Hemorrhage)*
430, 431, 432, 432.0-432.9, 433.0-433.9, 434, 434.1-434.9, 436
- ☐ *Chronic Obstructive Pulmonary Disease* 496, 491.2-491.9, 492.0, 492.8
- ☐ *Chronic Pancreatitis*
577.1
- ☐ *Cirrhosis of the Liver*
571.5, 571.6
- ☐ *Coagulation Defects (Hemophilias, Christmas Disease, and other clotting factor disorders)* 286.0-286.9
- ☐ *Congenital Adrenal Hyperplasia* 255.2
- ☐ *Congenital Heart Disease*
745.0-745.9, 746.0-746.9, 747.0-747.49
- ☐ *Congenital Hypothyroidism* 243
- ☐ *Congestive Heart Failure*
428.0-428.9
- ☐ *Coronary Artery Disease (Myocardial Infarctions, Open Heart Surgery)*
410.0-410.9, 411.0-411.89, 412, 413.0-413.9, 414.0-414.9
- ☐ *Crohn's Disease*
555.0-555.9
- ☐ *Cystic Fibrosis*
277.0, 277.01
- ☐ *Demyelinating Diseases*
340, 341.0-341.9
- ☐ *Diabetes, Type 1, with comorbidity; Juvenile Diabetes*
250.1-250.9
- ☐ *Down Syndrome*
758.0
- ☐ *Epilepsy*
345.0-345.9
- ☐ *Esophageal Varices*
456.0, 456.1, 456.2
- ☐ *Fetal Alcohol Syndrome*
760.71
- ☐ *Fragile X-Syndrome*
759.83
- ☐ *Friedreich's Ataxia*
334.0
- ☐ *Galactosemia*
271.1
- ☐ *Hamman-Rich Disease*
516.3

- ☐ *Heart Valve Replacement*
V42.2
- ☐ *Hepatitis C*
070.41, 070.44, 070.51, 070.54
- ☐ *HIV/AIDS*
042, 079.53, 136.3, 176.0-176.9
- ☐ *Huntington's Chorea*
333.4
- ☐ *Hydrocephalus*
742.3
- ☐ *Kidney Failure, with dialysis*
584.5-584.9, 585, 586
- ☐ *Lead Poisoning*
961.2, 984.0-984.9
- ☐ *Leukodystrophies*
330.0
- ☐ *Lipidosis*
272.7
- ☐ *Maple Syrup Urine Disease*
270.3
- ☐ *Marfan's Syndrome*
759.82
- ☐ *Mucopolysaccharidosis*
277.5
(types 1-6)
- ☐ *Multiple Sclerosis* 340
- ☐ *Muscular Dystrophies*
359.0, 359.1, 359.2, 359.3
- ☐ *Myasthenia Gravis*
358.0
- ☐ *Neurofibromatosis*
237.70, 237.71, 237.72
- ☐ *Prader-Willi Syndrome*
759.81
- ☐ *Prune Belly Syndrome*
756.71
- ☐ *Spina Bifida*
741.0-741.9
- ☐ *Osteogenesis Imperfecta*
756.51
- ☐ *Parkinson's Disease*
332.0, 333.0
- ☐ *Phenylketonuria (PKU)*
270.1
- ☐ *Polyarteritis Nodosa*
446.0
- ☐ *Polycystic Renal Disease*
753.12-753.14
- ☐ *Psychotic Disorders (including Schizophrenia)* 295.0-295.9, 296.0-296.9, 297.0-297.9, 298.0-298.9, 299.0-299.9
- ☐ *Quadriplegia*
344.00-344.09
- ☐ *Rheumatic Heart Disease*
391.0-391.9, 392.0-392.9, 393, 394.0, 394.1, 395.0-395.9, 396.0-396.9, 397.0-397.9, 398.0-398.99
- ☐ *Rheumatoid Arthritis*
714.0-714.89
- ☐ *Scleroderma*
710.1
- ☐ *Sickle Cell Disease*
282.60-286.69
- ☐ *Still's Disease*
714.30
- ☐ *Syringomyelia*
336.0
- ☐ *Systemic Lupus Erythematosus* 710.0
- ☐ *Thalassemia Major*
282.4
- ☐ *Traumatic Brain Injury*
850.4, 851.0-851.9
- ☐ *Tuberculosis*
011.0-011.9, 012.0-012.8, 013.0-013.9, 014.0-014.8, 015.0-015.9, 016.0-016.9, 017.0-017.9, 018.0-018.9
- ☐ *Ulcerative Colitis*
556.0-556.9
- ☐ *Wilson's Disease*
275.1

Organ Transplant:

<input type="checkbox"/> <i>Bone Marrow</i>	V42.81
<input type="checkbox"/> <i>Cornea</i>	V42.5
<input type="checkbox"/> <i>Heart</i>	V42.1
<input type="checkbox"/> <i>Heart Valve</i>	V42.2, V43.3
<input type="checkbox"/> <i>Intestines</i>	V42.84
<input type="checkbox"/> <i>Kidney</i>	V42.0
<input type="checkbox"/> <i>Liver</i>	V42.7
<input type="checkbox"/> <i>Lung</i>	V42.6
<input type="checkbox"/> <i>Pancreas</i>	V42.83
<input type="checkbox"/> <i>Open Heart Surgery</i>	(CPT Codes) 33517-33530, 33533-33545, 33572, 33510-33516

Attachment B



Date Sent: <Date Sent>
45th Day: <date of 45th>

TennCare Standard Application for “Medical Eligibility”

Look at this form carefully. Do not give this form to anyone else. You are the only one who can use it.

Read each page. There are two ways you can apply. Each way is on a separate page.
Choose the best way for you.

Fill out Part A if:

- You have a health problem(s)
AND
- You think that problem(s) would keep you from getting health insurance.

If this is true for you, fill out Part A. Get copies of your medical records. Those records must show that you have the health problem(s) you tell us about.

You must also send in a check or money order for \$25.00. You will not get this money back.

It is important to send all your information together to:

**Bureau of TennCare
PO Box 740
Nashville, TN 37202-0740**

Fill out Part B if:

- You have a severe mental health problem
OR
- You have a serious emotional disturbance.

If this is true for you, go to your local Community Mental Health Center (CMHC). Take this form with you.

The CMHC will give you a test called a CRG/TPG assessment.

You have until the 45th day on this letter to get this test. It will tell us if you can get TennCare this way.

Look at the dates printed at the top of this page.

You have until the 45th day to send this application and your proof to TennCare.

Your application will be denied if:

- You send it in late, or
- You do not send in all your forms and proof together.

If you apply under Part A, you must send in your \$25.00 with all your information.

If you do not, your application will be denied.

The directions are listed in each part. Read them carefully.

Please ask for help if you have questions.

Remember – Choose Part A or Part B – You do not have to do both.

We do not allow unfair treatment in TennCare. No one is treated a different way because of race, color, birthplace, language, sex, age, or disability.

Do you think you have been treated unfairly? Do you have more questions? Do you need more help?

You can call the TennCare Information Line. Their number is 1-800-669-1851. This is a free call. In Nashville, call 741-4800.

PEOPLE WHO LIE ON PURPOSE TO GET TENNCARE MAY BE FINED OR SENT TO JAIL.

Part A - TennCare Application for Determination of Health Insurance Status

DIRECTIONS: FILL OUT THIS FORM IF YOU THINK YOU CANNOT GET HEALTH INSURANCE BECAUSE YOU HAVE A HEALTH PROBLEM(S). TENNCARE HAS A CONTRACTOR WHO WILL LOOK AT YOUR APPLICATION. THEY WILL DECIDE IF YOU ARE "MEDICALLY ELIGIBLE".

FILL OUT THIS FORM AND SIGN IT. GET COPIES OF YOUR MEDICAL RECORDS THAT SHOW YOU HAVE THIS PROBLEM(S).

SEND IN THIS FORM, YOUR MEDICAL RECORDS AND YOUR \$25.00 APPLICATION FEE. YOU WILL NOT GET THIS MONEY BACK.

SEND EVERYTHING TO TENNCARE WITHIN 45 DAYS OF THE DATE ON THIS FORM.

SEND ALL OF YOUR FORMS, \$25.00 AND MEDICAL RECORDS IN ONE PACKAGE. IF YOU DO NOT SEND IT TOGETHER, IT WILL BE DENIED AS INCOMPLETE.

Last Name	First	MI	Daytime Telephone Number ()	Evening Telephone Number ()
Mailing Address				
City	State	Zip Code		
Social Security Number	<input type="checkbox"/> Male <input type="checkbox"/> Female		Birth Date	Height
		Weight		

Have you gotten medical advice or treatment OR been medically diagnosed for anything listed below?

Please check Yes or No.

<u>Yes</u>	<u>No</u>	
<input type="checkbox"/>	<input type="checkbox"/>	1. Arthritis, Gout, Sciatica, Injury or Illness to the Back or Spine?
<input type="checkbox"/>	<input type="checkbox"/>	2. High Blood Pressure, Chest Pain, Rheumatic Fever, or Disorder of the Heart or Blood Vessels?
<input type="checkbox"/>	<input type="checkbox"/>	3. Ulcer, Colitis, Diverticulitis, Hernia, Disease or Disorder of Stomach, Intestines, Liver, or Gallbladder?
<input type="checkbox"/>	<input type="checkbox"/>	4. Sugar/Albumin, or Blood in Urine, Stone or Disorder of Kidney or Urinary Tract?
<input type="checkbox"/>	<input type="checkbox"/>	5. Reproductive System, Menstruation, History of Pregnancy Complications, Premature Births, or Breast Disease/Disorder?
<input type="checkbox"/>	<input type="checkbox"/>	6. Birth Defect, Amputations, Deformities?

- | | | |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | 7. Have you or anyone for whom you are applying been advised to receive immunizations to prevent ASV (respiratory syncytial virus) |
| <input type="checkbox"/> | <input type="checkbox"/> | 8. Were you or anyone for whom you are applying delivered more than 2 months prematurely (32 weeks or less gestation) or continued in the hospital as a newborn for more than 1 week? |
| <input type="checkbox"/> | <input type="checkbox"/> | 9. Has anyone for whom you are applying been adopted within the last 2 years? |
| <input type="checkbox"/> | <input type="checkbox"/> | 10. Skin Disease or Disorder? |
| <input type="checkbox"/> | <input type="checkbox"/> | 11. Illicit Drug Use, Eating Disorders, Drinking Problems, Nervous/Mental Disorder, Counseling of any type? |
| <input type="checkbox"/> | <input type="checkbox"/> | 12. Thyroid, and/or Other Gland Disorder, Diabetes? |
| <input type="checkbox"/> | <input type="checkbox"/> | 13. Bronchitis, Emphysema, Asthma, Tuberculosis, Congenital Lung Problem, or Respiratory Disorder? |
| <input type="checkbox"/> | <input type="checkbox"/> | 14. Seizure Disorders, or Convulsions, Dizziness, Headaches, Paralysis, Stroke? |
| <input type="checkbox"/> | <input type="checkbox"/> | 15. Cyst, Tumor or Cancer? |
| <input type="checkbox"/> | <input type="checkbox"/> | 16. Disease/Disorder of the Eyes, Ears, Nose or Throat? |
| <input type="checkbox"/> | <input type="checkbox"/> | 17. Immune System Disorder including any test showing the presence of Human Immunodeficiency Virus (HIV) or its antibodies, a clinical finding of Acquired Immune Deficiency Syndrome (AIDS) or AIDS Related Complex (ARC)? |
| <input type="checkbox"/> | <input type="checkbox"/> | 18. Are you pregnant? |
| <input type="checkbox"/> | <input type="checkbox"/> | 19. Have you been advised to have treatment, special immunizations, surgery or testing that has not been done? |
| <input type="checkbox"/> | <input type="checkbox"/> | 20. Have you been treated for any disease, disorder, or injury not listed by this questionnaire? |
| <input type="checkbox"/> | <input type="checkbox"/> | 21. Have you been rejected or issued a limited policy or a policy with increased premium for life, health, or disability coverage? |
| <input type="checkbox"/> | <input type="checkbox"/> | 22. Are you currently taking treatment, medication or special immunizations of any kind? |
| <input type="checkbox"/> | <input type="checkbox"/> | 23. Are you on disability of any type? |
| <input type="checkbox"/> | <input type="checkbox"/> | 24. Have you undergone surgery of any kind? |

Part A – Page 1 (please go to Page 2)

Part A - TennCare Application for Determination of Health Insurance Status

For any illness or condition marked "Yes", please provide the following information:				
Patient's Name	Illness or Condition	Date(s)	Was Recovery Complete?	Doctor's Name

Please be accurate – Insurability can be affected by the above information.

Attach medical records that show you have the health problem(s) listed above.

PLEASE READ CAREFULLY AND SIGN BELOW

We protect information you tell us about you and your family.

We ONLY give this information out for following reasons:

- (1) To other agencies if needed in order to get information that may help us decide if you qualify for TennCare;
- (2) To agencies, health care providers, or the MCO and/or BHO that you and your family uses;
- (3) To the police in their investigation of a felony; and
- (4) To a Court if ordered to do so by the Court.

If I get TennCare, I agree that TennCare healthcare providers used by me and my MCO and BHO may get and share with each other medical and other information relating to providing me with services. That information will be kept confidential in accordance with federal and state law.

I authorize TennCare or its Contractor to contact my employers and other agencies (IRS, TN Department of Labor and Workforce Development, Division of Employment Security, credit bureaus, etc.) in order to verify eligibility and income.

I certify under penalty of perjury that I have provided correct information about myself.

If I get TennCare, I agree to assign all benefits payable to another source (i.e. other insurance, lawsuit settlements, etc.) to TennCare.

A scanned, imaged or photocopied version of this completely executed form will have the same force and effect as the original document. I understand that the TennCare Bureau or its authorized representative may obtain additional medical records to verify that I have the condition(s) indicated on my application for health insurance coverage. I hereby authorize the Bureau or its representative to request and obtain such records from my physician and use them for this purpose.

Signature: _____ Date: _____

Part A Checklist:

- ☐ Fill out both Page 1 and 2 of Part A.
- ☐ Sign and date Page 2.
- ☐ Include copies of your medical records.
They should show that you have the health problem(s) you told us about.
- ☐ Include a \$25.00 check or money order.
You will not get this money back.

Put all of this information together before you send it in. It must be sent together at the same time to:

**Bureau of TennCare
PO Box 740
Nashville, TN 37202-0740**

Part A – Page 2

Date Sent: <Date Sent>
45th Day: <date of 45th>

PART B – Severe Mental Health or Serious Emotional Problems

Only fill out Part B if:

- You have a mental health or emotional problem and
- You will have a test called a CRG/TPG assessment.

If you will not have this test, skip Part B. Look at Part A of this packet. It will tell you another way to apply.

DIRECTIONS: Fill out the top part of this form. Sign the waiver to release your medical records. You have 45 days from the date on this form to go to your local Community Mental Health Center (CMHC).

They will schedule a test called a CRG/TPG assessment. Take this form with you. At your assessment, have the licensed mental health professional fill out the bottom part of this form.

Leave this form at your CMHC. It will be sent with your test results directly to TennCare.

Name: _____
LAST FIRST
MIDDLE INITIAL

Date of Birth: _____ Social Security Number: _____

Address: _____
STREET ADDRESS CITY
STATE ZIP

Daytime Phone Number: _____ Evening Phone Number: _____

Have you already had a CRG/TPG assessment at your CMHC within the past 12 months? ☐
Yes ☐ No

If yes, ask your CMHC to send the results to the Tennessee Department of Mental Health and Developmental Disabilities.

RELEASE OF INFORMATION FOR YOUR MEDICAL RECORDS

I understand that TennCare or its approved agent may get my medical records. Those records may be used to prove that I have the condition(s) on my CRG/TRG assessment. My mental health professional has certified below that I have this condition(s). TennCare or its agent each have my permission to ask for, get, and use such records for this purpose.

SIGNATURE
DATE

FOR LICENSED MENTAL HEALTH PROFESSIONAL USE ONLY

Name of Licensed Mental Health Professional: _____
LAST FIRST
MIDDLE INITIAL

Professional Designation: _____

Office Address: _____
STREET ADDRESS CITY
STATE ZIP

Office Phone Number: _____ Fax: _____

Did you conduct a CRG/TPG assessment of the person whose name is on this form? ☐ Yes
☐ No

What is this person's diagnosis? _____

I certify that I have performed a CRG/TPG assessment on the above named individual. I understand that this information will be used to determine this patient's medical eligibility for TennCare Standard. I understand any intentional act on my part to provide false information that will potentially resulting a person obtaining benefits or coverage to which s/he is not entitled is considered an act of fraud under the State's TennCare program and Title XIX of the Social Security Act.

Signature of Licensed Mental Health Professional: _____

Date: _____ Tennessee License Number: _____